



THE YASH BIRLA GROUP



Birla Shloka Edutech Limited

2010-2011

19TH ANNUAL REPORT

BOARD OF DIRECTORS:

- | | |
|------------------------------|-------------------|
| 1. Mr. Yashovardhan Birla | Chairman |
| 2. Mr. Nidigallu Srikrishna | Managing Director |
| 3. Mr. Mohandas Shenoy Adige | Director |
| 4. Mr. Vijay Agarwal | Director |
| 5. Mr. Anoj Menon | Director |
| 6. Mr. Tushar Dey | Director |

**COMPANY SECRETARY &
COMPLIANCE OFFICER:**

Mr. Vijay Mishra

AUDITORS:

M/s. LKM & Co.

Chartered Accountants

Mumbai

BANKERS:

The Catholic Syrian Bank Ltd

REGISTERED OFFICE:

Industry House
159, Churchgate Reclamation
Mumbai-400 020
Ph- 022-22026340

HEAD OFFICE

Melstar House,
G-4, M.I.D.C., Cross Road 'A
Andheri (East), Mumbai - 400 093
Ph- 022-33067777

SHARE REGISTRAR AND TRANSFER AGENT:

M/s. Bigshare Services Private Limited

E-2/3 Ansa Industrial Estate,
Saki Vihar Road, Sakinaka,
Andheri (E), Mumbai-400 072
Tel: 022-40430200
Fax: 022-28475207

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NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of the members of Birla Shloka Edutech Limited will be held on Thursday, 22nd September, 2011 at 3.00 pm at Maharashtra Chamber of Commerce, Orion House, 6th floor, 12, K. Dubhash Marg, Fort, Mumbai 400 001 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March 2011 and the Profit and Loss Account for the year ended on that date together with the Report of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Mohandas Shenoy Adige who retires by rotation at this meeting and being eligible offers himself for re-appointment.
3. To appoint auditors and fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution

"RESOLVED THAT M/s LKM. and Co., Chartered Accountants, Mumbai (Firm Registration No.126823W) be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the Company on such remuneration as may be determined by the Board of Directors".

**By order of the Board of Director
Birla Shloka Edutech Limited**

Date : 09/08/2011
Place : Mumbai

**Vijay Mishra
VP (Finance) & Company Secretary**

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy instead of himself and the proxy need not be a member of the Company. Proxies, in order to be effective, must be received by the Company at its registered office, not less than 48 hours before the meeting.
2. The register of Members and Share Transfer Books will remain closed from 19th September, 2011 to 22nd September, 2011 (both days inclusive).
3. Members holding shares in physical form are requested to notify immediately any change in their address with pin code to the Company's Share transfer Agents M/s Bigshare Services Private Limited, E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E), Mumbai -400 072 and in case their shares are held in Demat, this information should be passed on directly to their respective Depository Participants (DPs) and not to the Company.
4. Members, who hold shares in dematerialized form, are requested to write their client ID Numbers and those who hold shares in physical form are requested to write their folio number in the Attendance slip for attending the meeting.
5. Members are requested to write to the Company at least seven days in advance before the date of meeting in case they need any information as regards to the Audited Accounts for the financial year ended on 31st March 2011, to enable us to keep the information ready.
6. Members/Proxies are requested to bring the Annual report and attendance slip duly filled in.

**By order of the Board of Director
Birla Shloka Edutech Limited**

Date : 09/08/2011
Place : Mumbai

**Vijay Mishra
VP (Finance) & Company Secretary**



DIRECTORS' REPORT

To
The Members,

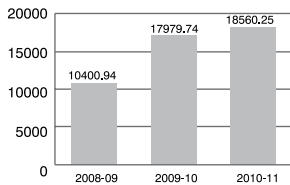
Your Directors are pleased to present the Nineteenth Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

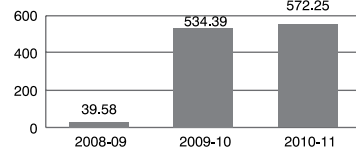
(Amount in Lakhs)

Particulars	As on 31.03.2011	As on 31.03.2010
	Rupees	Rupees
Total Income	19,222.14	18,014.21
Total Expenditure	17,990.24	17,237.17
Interest & Financial Charges	63.44	32.16
Profit/(Loss) before Tax and Depreciation	1168.5	744.88
Less: Depreciation	596.20	210.49
Profit/(Loss) Before Tax	572.25	534.39
Less: Provision for Taxation	—	—
Current MAT	118.14	90.82
Less: MAT Credit Entitlement	—	(90.82)
Deferred Tax	(15.82)	33.36
Earlier year Tax Expenses	14.44	—
Profit/(Loss) After Tax	455.50	501.03
Add:- Balance brought forward from last Year	565.26	64.23
Add:- Transfer from Amalgamation Reserve Account	—	—
Balance Carried to Balance Sheet	1020.76	565.26
Earnings Per Share	2.60	6.96

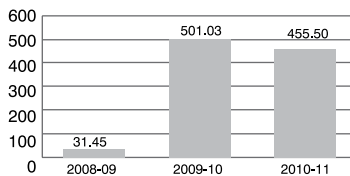
Turnover (in Rs.Lacs)



Operating Profit (in Rs.Lacs)



PAT (in Rs.Lacs)



**DIVIDEND**

In order to preserve funds for future activities, your Directors do not recommend any dividend for the financial year ended 31st March 2011.

SUBSIDIARY COMPANY:

The Company has one wholly-owned foreign subsidiary, viz. Birla Shloka Edutech Ltd.FZE.

The important developments that have taken place during the year under report in the subsidiary of the Company are dealt with hereunder:

Particulars	2010-2011	2010-2011	2009-2010	2009-2010
	Foreign currency	Indian Rs.	Foreign currency	Indian Rs.
Revenue	723750AED	89,22,245	N.A	N.A
Profit	9055AED	1,11,629	N.A	N.A

FINANCIAL STATEMENT OF SUBSIDIARY:

In terms of General Circular issued by the Central Government under Section 212(8) of the Companies Act, 1956 vide Circular No. 5/12/2007-CL-III dated 08th February, 2011. it was decided to grant general exemption from attaching copies of the Balance Sheet, Profit and Loss Account, Report of the Board Of Directors and the Report of the Auditors of the Subsidiary Companies to the Balance Sheet of the Company provided certain condition are fulfilled. However, as required under the aforesaid circular, a summarized statement of financial position of the subsidiary has been appended to the Annual Report elsewhere. In terms of Accounting Standards 21 issued by the Institute of Chartered Accountants of India, the Consolidated Financial Statements includes the financial information of the Subsidiary.

PERFORMANCE REVIEW:

During the year under review the total income of the Company increased by Rs.1207.93 Lakhs in 2010-11 and the profit after tax decreased by Rs.45.53 Lakhs over the previous year. The Company's reserves and surplus stand at Rs.7644.57 Lakhs as at March 31, 2011.

GLOBAL DEPOSITORY RECEIPTS ISSUE OF THE COMPANY:

The Company has allotted 2,79,785 Global Depository Receipts on 6th August 2010 representing 69,94,625 underlying Equity Shares of Rs. 10/- each (offering at Rs.65.25 each) at an offer price of USD 35.74 per Global Depository Receipt aggregating to USD 9.99 million equivalent to Rs. 46.12 Crores.

The funds raised through GDR have been utilized towards the Company's long term working capital and to finance future projects, acquisitions and other corporate purposes.

LISTING OF SHARES WITH THE NATIONAL STOCK EXCHANGE:

The Board of Directors of your Company has proposed to get the shares of the Company listed with the National Stock Exchange of India. NSE is the largest exchange in the country in terms of trading and with its unprecedented reach will be beneficial to the shareholders in terms of liquidity and marketability of its shares. The Board has made the application to Exchange and is awaiting their approval.

BUSINESS REVIEW & FUTURE PROSPECTS:

The Company has a curriculum based educational software program viz., 'XL@school' as per the syllabus prescribed by different Educational Boards that is designed to impart academic knowledge through electronic media. To cope up with the increased business opportunities, your Company has made considerable investment in research and development areas, ongoing quality enhancement program and infrastructure facilities, etc. The Company has planned to expand its business in Information and Communication Technology (ICT) solution for various government schools segment.

The governments are keen to explore the Public Private Partnership (PPP) model for setting up of Schools which the private partner will design, build, finance and manage. The company sees enormous potential in this space for future growth as more and more states are likely to devise and implement similar schemes for Senior Secondary Education and probably in primary education too.

The Company is aggressively participating in tenders of various state government projects and vigorously pursuing such initiatives across the country.



The company has been awarded one such project by Adivasi Development Department of Government of Maharashtra, Nasik, for implementation of ICT project in 552 tribal Schools in Maharashtra, the project has to be completed in BOOT (Build Own Operate Transfer) Model in three years, the company has successfully implemented first phase of the said project, the total revenue expected from the said project is Approx. 29.5 Cr. In Three years.

PARTICULARS OF EMPLOYEES:

In terms of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the name and particulars of the employees required to be set out in the Directors Report are given in the Annexure appended to this report.

PUBLIC DEPOSITS:

The Company has not accepted any deposits from the Public or the Shareholders during the year under review.

DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Director's Responsibility Statement, it is hereby confirmed that:

- (i) In the preparation of the accounts for the financial year ended 31st March, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 and of the profit of the Company for the year under review;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) The Directors have prepared the annual accounts of the Company on a 'going concern' basis.

DIRECTORS:

In terms of Article 129 and Section 256 of the Companies Act, 1956, Mr. Mohandas Shenoy Adige retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. A brief resume of Mr. Mohandas Shenoy Adige, nature of his expertise in specific functional areas, and names of Companies in which he holds directorship and the membership/Chairmanship of Committees of the Board, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are given in the Report on Corporate Governance forming part of the Annual Report.

AUDITORS & AUDITORS REPORT:

M/s LKM & Co., Chartered Accountants, Auditors of the Company, holds office until the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment. The Company has received a letter from M/s. LKM. & Co., Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956 and that they are not disqualified for such appointment within the meaning of Section 226 of the Companies Act, 1956.

The Auditors in the annexure to the audit report have made an observation with respect to a Service Tax overdue amount of Rs. 22.11 Lakhs (net) and CST payable is Rs. 6.96 Lakhs. However the Company has paid the said amount on 2nd June 2011.

The Auditors in the annexure to the audit report have made an observation with respect to appointment of Internal Auditor, in this regard the company has taken necessary steps and appointed M/s Gopal K Garg & Co. Chartered Accountants as internal auditor of the company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, a Management Discussion and Analysis Report are appended to this report.

CORPORATE GOVERNANCE REPORT:

A report on Corporate Governance pursuant to Clause 49 of the Listing Agreement with the Stock Exchange is attached as a separate annexure and forms part of this report.



Corporate Governance compliance certificate obtained from the Auditors of the company is also attached to this report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Although the Company is not engaged in manufacturing activities, the Company makes every effort to conserve energy as far as possible in its offices, facilities etc. Energy conservation is always given focus from the point of view of cost control and also a social responsibility. Strict control and monitoring of usage, good upkeep and turning off of equipments, results in optimum usage of electrical power. To enhance its capability and customer services, the Company continues to make significant investments in research and development. The Company will continue to invest in the latest technologies to suit the business needs in the market place. Training employees in the latest and relevant technologies would continue to remain a focus area.

Foreign exchange earnings & outgo:

Particulars	2010-2011	2009-2010
Total foreign Exchange earnings	8,94,100	NIL
Total Foreign Exchange outgo	15,668	NIL

ACKNOWLEDGEMENTS:

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from the shareholders, bankers, regulatory bodies and other business constituents of the Company during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance of the Company during the year.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 20th May, 2011

Yashovardhan Birla
Chairman

ANNEXURE TO DIRECTORS REPORT

PARTICULARS OF EMPLOYEES:

In terms of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the name and particulars of the employees required to be set out in the Directors Report are given as hereunder:

Name	Designation	Gross Remuneration (Amount in Rs.)	Qualification	Experience	Date of joining	Age	Previous employment
Mr. Nidigallu Srikrishna	Managing Director	30,11,860/-	B.E (Engg), SMBIT Institute of Technology, Bangalore University	16 yrs	July 3, 2008	44 yrs	M/s. Enmasse Consultancies Private Limited



MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

(i) Industry Structure and development

Your directors are glad to inform you that major developments have been made by the Company in software development. The educational software developed by the Company has been installed in schools to provide knowledge through electronic media. The new strengths of the Company are in e-commerce/e-business, digital content development, R&D services, telecom software and IT enabled services.

(ii) Opportunities and Threats

With many developments in the economy and severe competition amongst the companies, the prime opportunity lies in meeting customer's expectations in terms of high quality, prompt response in time, services & performance and the same opportunities were regularly grabbed by your Company.

The need for ICT solution in government school is growing and opportunities are available in this space. Retail opportunities are available by way of sale of software contents to the end customer directly.

The threats faced by the software sector are global downturn with which small players more severely hit.

(iii) Segment-wise or Product-wise Performance

Almost 99% of the total revenue is from software segment hence segment reporting as per AS17 is not applicable.

(iv) Outlook

The Education sector is one of the most promising sector creating tremendous opportunities. Being a country having 50% of its population less than 25 yrs old, the Company sees bright prospects in the coming year. The Company sees tremendous growth opportunities in the following areas:

➤ Supply of ICT solution to government and private schools.

We see numerous opportunities under the ever increasing scope of Information and Communication Technology (ICT) of Government of India. The ICT is being used from School Education to University Education. The government is increasingly focusing at the Public Private Partnership (PPP) model to set up more number of Centers of Excellence and Skill Based Vocational Training Centers which will enhance the employability potential of students.

The government of India, with the aim of improving Computer Literacy in Public Schools is increasingly opting for Public Private Partnerships to source IT Infrastructure and training under Sarva Shiksha Abhiyaan (SSA) Programme.

Institutions have varying requirements and the private sector may be able to offer innovative solutions that will provide quality services and value for money.

➤ K – 12 Curriculum Development

The company has developed a research based K-12 curriculum which is based on the National Curriculum Framework 2005 and draws on the best practices of national and international boards and therefore merges seamlessly with the prevalent boards of education that currently exist in the country, namely CBSE, ICSE, IB and IGCSE. The curriculum will bring back creativity and the joy of learning to our schools and drives the students take up the onus of learning and learn to be independent learners.

The curriculum focuses on conceptual understanding rather than "covering of content". Along with the curriculum, a number of support functions are provided to existing schools and new schools across the length and breadth of the country in the form of detailed lesson plans, resources, teaching aids and teacher training and teacher support to ensure that the curriculum is implemented effectively, be it a private school in a tier 1 city or a government school in rural India.

Most of the schools follow the conventional teaching methodology and curriculum where the classroom is more teacher centric classroom than a student centric one.

The Company sees an opportunity to help transform these schools by offering the K-12 curriculum in these schools.

➤ Shloka Schools:

The Company seeks to extend its foray in education through Shloka preschools and K-12 schools. Shloka School aims to be a 'Center for Excellence'. Its mission would be to provide affordable quality education that ensures children are 'healthy, safe, engaged, supported & challenged'.



It will have a well-researched, specially designed curriculum with student centric approach where the student joyfully seeks knowledge.

It will be an experiential & outcome based dynamic curriculum which is developmentally appropriate. It will cater to all Indian national level and state level boards. Institutional design planning of Shloka schools will ensure excellence in learning environment. Institution designs will be environment friendly and in sync with the curriculum. Shloka schools will strive towards sensitizing children to Society Economy & Environment. We are already in talks with potential partners for setting up these schools.

➤ **Interactive multimedia learning and education system.**

The company has a well developed library of syllabus based interactive multimedia learning content for CBSE & Maharashtra State Board. The company has initiated the process of enhancing the features of the existing content and also develop the syllabus based interactive multimedia content for other state and central boards to expand the footprints in the segment of Multimedia Content for learning across the country

➤ **Vocational education through Spoken English Language training business.**

Your Company is planning to enter the field of vocational education through Spoken English Language training business.

India's private sector education and training market is estimated to be worth US\$40bn, with a potential 16% five year CAGR. Of this, the adult market for ELT (aged 20+) is estimated to be worth around US\$450m. It is estimated that at least 3.8m people paying an average fees of \$120.

Demand for English-Language training									
Age	Total (m)	Urban (m)	Rural (m)	Urban tutoring (%)	Rural tutoring (%)	Total (m)	Average fee (Rs.)	Market (Rsm)	Market (US \$m)
20-24	105	31	73	2.0	0.5	0.99	5,000	4,969	124
25-29	94	28	66	4.0	1.0	1.79	5,000	8,936	223
30-34	83	25	58	2.0	0.5	0.79	5,000	3,943	99
English training market								17,847	446

Source: CLSA Asia-Pacific Markets, United Nations Population database

Vocational training market in India is accounted for US\$1,365m and English training represents one-third of this figure. Demand for English skills at a corporate level is driven by service sector in particular (eg. growth of call centres, ITes companies). English language ability therefore commands a premium in such sectors, particularly in MNCs.

➤ **Setting up and managing Teacher Training Institutes**

In the coming years India is expected to face a huge demand for schools and teachers to educate its rapidly increasing school population. The curriculum in most of the existing Teacher Training Institutes does not equip teachers with the requisite skills to prepare students for tomorrow.

We are committed to setting up state of the art Teacher Training Institutes across the country that will attract the country's leading talent and prepare a cadre of highly skilled teachers who can ensure that each child learns in our classrooms. The infrastructure of the teacher training institute will mirror the kind of experiential learning environment that is advocated for the child. The teacher training school will house state of the art science laboratories, math and social science laboratories, art and performing art studios and sports grounds.

➤ **Development of Teaching Solutions and Learning Aids for Early Year Schooling**

The company intends to set up development centre to create learning solutions for the young learners about the space, environment & relationships around them. The program will aid children to explore & nurture relationships they share within the spectrum of this space/ environment, empowering them to take ownership of the environment and relationships around them while contributing positively towards it.

This unique solution together with the learning aids and collaterals developed by the company intends to provide unique teaching methodology and aids for Pre Schools. The company intends to have strategic tie ups with leading providers of collaterals like storybooks, music CDs, Story CDs, games and manipulative games, theme kits, toys, interactive games etc., to augment the solutions developed by the company.



➤ **Public Private Partnership (PPP) model for setting up of Schools**

The State Governments are taking initiatives with a goal to establish Senior Secondary Schools under "Design, Build, Finance, Manage, Operate and Transfer (DBFMOT)" to make education within reach of more people, in areas where no schools exist. The governments are keen to explore the Public Private Partnership (PPP) model for implementing this initiative wherein the Government envisages that the private partner will design, build, finance and manage these schools for tenure of around 30 years. The government supports the initiative by providing Land and certain Capital Assistance to the private partner

The company sees enormous potential in this space for future growth as more and more states are likely to devise and implement similar schemes for Senior Secondary Education and probably in primary education too.

➤ **Supply of software as per customer specifications and requirements.**

The company is engaged in the business of providing customized software based on the specifications and requirements of its customers. The company sees more prospects and growth in this segment and therefore, is enhancing its capabilities and offer more products and services in this segment.

(v) Risk and concerns

1. The major risks which prevail in the industry are high fluctuations in the prices of software programmes and hardware components. The Company faces risks due to competition in the Indian market. Your Company is taking due care to overcome risks in the industry by adopting new technology and latest know how in development of the software programmes.
2. Our Business involves installation of a large number of Computer Systems and other electronic equipments across various geographies. Such electronic equipments are prone to hardware/software malfunction, virus attacks, hacking and technological obsolescence. If any such events occur, we run the risk of disruption of our operations.

(vi) Internal control system and their adequacy.

The Company has set up adequate internal control systems to safeguard the assets of the Company and to conduct checks on the maintenance of accounting records. A continuous process of checking is introduced in the Company. The Company has an independent appraisal system to examine and evaluate the adequacy and effectiveness of Internal control Systems.

(vii) Financial Performance with respect to Operational Performance.

The Company has achieved a turnover of Rs.18560.25 Lakhs during the year 2010-11. To get an overall view on financial performance, please refer the Financial Results as given above.

(viii) Material development in Human Resources/ Industrial Relations front, including Number of people employed.

The working environment of the Company was cordial during the year. The Company has taken steps to provide training to all the levels of employees of the Company in various departments. The workforce of the Company including workers, staffs and executive were 62 during the year under review.

(ix) Cautionary Statement

Some of the statement contained within this report may be forward looking in nature and may involve risks and uncertainties. Actual result and outcomes in future may vary materially from those discussed herein. Factors that may cause such variance include, but are not limited to management of growth, market acceptance of Company's product and services, risk associated with new product version, dependence on third party relationship and the activities of competitors.



CORPORATE GOVERNANCE REPORT

(Pursuant to Clause 49 of the Listing Agreement)

Company's Philosophy on Corporate Governance

The Company's philosophy on Corporate Governance envisages attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and in all its interactions with its stakeholders, including shareholders, employees, the government and lenders. The Company is committed to achieve the highest international standards of Corporate Governance. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value, over a sustained period of time.

I. Board of Directors

a) Composition and Category

The Company has an optimum combination of executive and non-executive directors. The Board comprises of one executive director, three non-executive independent directors and two non-executive directors. The composition of the Board is as follows:

Name of Director	Category
Mr. Yashovardhan Birla	Chairman (Non-Executive)
Mr. Nidigallu Srikrishna	Managing Director
Mr. Mohandas Shenoy Adige	Non-Executive, Independent
Mr. Vijay Agarwal	Non-Executive, Independent
Mr. Anoj Menon	Non-Executive, Independent
Mr. Tushar Dey	Non-Executive, Non Independent

Details of the other Directorship and Chairmanship/ Membership of Committee of each Director in various companies as on 31st March, 2011 is as follows:

Sr No	Name of Director	No. of Directorship held in other Public Companies*	No. of membership/ Chairmanship/ on other Board Committees
i.	Mr. Yashovardhan Birla (Non-Executive Non-Independent Chairman)	21	1 (as Chairman)
ii.	Mr. Nidigallu Srikrishna Executive- Managing Director	1	--
iii.	Mr. Mohandas Shenoy Adige (Non-Executive Independent Director)	7	7 (including 1 as chairman)
iv.	Mr. Vijay Agarwal (Non-Executive Independent Director)	14	5
v.	Mr. Anoj Menon (Non-Executive Independent Director)	3	4 (including 2 as chairman)
vi.	Mr. Tushar Dey (Non-Executive Non-Independent Director)	8	--

*Excludes alternate directorships, additional directorships and directorships of private and foreign companies.

b) Non-executive director's compensation & disclosures:

Apart from sitting fees that are paid to the non-executive directors for attending Board and Committee meetings, no other fee/commission was paid during the year. During the year under review, there was no pecuniary relationship or business transaction by the Company with any non-executive directors. The details of sitting fees paid to the Directors are given separately in this Report.

c) Information on Directors re-appointment:

A brief resume of the Director being proposed to be re-appointed at the ensuing Annual General Meeting, nature of his expertise in specific functional areas and names of the companies in which he holds directorship (excluding directorship held in Private Limited and Section 25 Companies) and the membership of committees of the Board is furnished hereunder:



Mr. Mohandas Shenoy Adige, aged 67 years, has 42 years of cross functional experience in metal industry with exposure to various functional areas including techno-commercial areas of project management. He is a member of Regional Council of Confederation of Indian Industry (CII), All India Management Association and Bombay Management Association (BMA), Indian Institute of India Foundry men and Indian Institute of Materials Management. Specialist in revival and turnaround of ailing units through re-engineering and reorganization.

Details of his other directorship in public companies and committee memberships are as under:

Name of Company	Committee- Chairman/Member
Nagpur power and industries limited	--
Birla Precision Technologies limited	Audit Committee - Member Shareholders/investors grievance committee - Chairman
Birla Cotsyn (India) Limited	Audit committee - Member Shareholders/investors grievance committee - Member
Artefact Projects Limited	--
Melstar Information Technologies Limited	Audit Committee - Member
Birla Energy Infra Limited	--
Birla Pacific Medspa Limited	Audit committee - Member Shareholders/investors grievance committee - Member
AHG Metal Endustri Urunleri Ticarete Ve Sanayi, Istanbul, Turkey	--

d) Other provisions as to Board & Committees:

During the year ended 31st March, 2011, Seven Board Meetings were held as against the minimum requirement of four meetings. The meetings were held on 27th May, 2010, 10th August, 2010, 3rd September 2010, 4th September, 2010, 27th September, 2010, 12th November, 2010 and 8th February, 2011.

The Company has held at least one meeting in every three months and the maximum time gap between any two Board Meetings was not more than four months. None of the directors of the Company were a member of more than ten committees or Chairman of more than five committees across all public limited companies in which he was a director.

For the purpose of considering the limit of the Committees as stated above, only Audit Committee and Shareholders / Investors Grievances Committee across all public limited companies has been considered in accordance with clause 49 of the Listing Agreement.

Attendance of the Directors at the Board Meetings and the Annual General Meeting is as follows:

Sr. No	Name of Director	No. of board meetings attended	Whether attended previous AGM
i.	Mr. Yashovardhan Birla (Non-Executive Non-Independent Chairman)	3	Yes
ii.	Mr. Nidigallu Srikrishna Executive- Managing Director	7	Yes
iii.	Mr. Mohandas Shenoy Adige (Non-Executive Independent Director)	6	No
iv.	Mr. Vijay Agarwal (Non-Executive Independent Director)	2	No
v.	Mr. Anoj Menon (Non-Executive Independent Director)	6	Yes
vi.	Mr. Tushar Dey (Non-Executive Non-Independent Director)	7	Yes

e) Code of Conduct

The Company has laid down a Code of Conduct for all the Board members and senior management personnel of the Company. The Code of Conduct is available on the website of the Company.



In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (duly amended) the Board has approved the "Code of Conduct for Prevention of Insider Trading" and authorized the Compliance Officer to implement and monitor the various requirements as set out in the Code under the superintendence and control of the Board of Directors of the Company.

A declaration from the Managing Director of the Company is given below:

To,

The Shareholders of Birla Shloka Edutech Ltd.,

Subject: Compliance with Code of Conduct

I hereby declare that all the Board members and senior management personnel of the Company have affirmed with the Code of Conduct as adopted by the Board of Directors.

Mumbai
20th May, 2011

Sd/-
Nidigallu Srikrishna
Managing Director

II. Committees of the Board

A. Audit Committee

Composition, names of members and Chairperson

The Audit Committee had undergone reconstitution during the year 2008-09. The Audit Committee as per the provisions of Section 292A of the Companies Act, 1956 comprises of three non-executive Directors, all being independent, namely:

Name	Title	Status
Mr. Vijay Agarwal	Chairman	Independent
Mr. Mohandas Shenoy Adige	Member	Independent
Mr. Anoj Menon	Member	Independent

The Company Secretary acts as the Secretary to the Committee.

Terms of Reference

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement with the Stock Exchange, read with Section 292A of the Companies Act, 1956 and includes such other functions as may be assigned to it by the Board from time to time.

Meetings and attendance during the year

During the year ended 31st March, 2011, the Committee has met 4 times as against the minimum requirement of three meetings. The meetings were held on 27th May, 2010, 10th August, 2010, 12th November, 2010 and 8th February, 2011. Representatives of the Statutory Auditors were invited to be present at the Audit Committee meetings. The attendances at the meetings were as under:

Name	No. of Meetings held during the year	No. of meetings attended
Mr. Vijay Agarwal	4	1
Mr. Mohandas Shenoy Adige	4	4
Mr. Anoj Menon	4	3

B. Remuneration Committee

The Board of Directors of the Company has constituted a Remuneration Committee on 25th May, 2009. The composition of the Committee is as follows:

Name	Title	Status
Mr. Mohandas Shenoy Adige	Chairman	Independent
Mr. Vijay Agarwal	Member	Independent
Mr. Anoj Menon	Member	Independent

The meeting of the Committee was held on 10th August, 2010, Mr. Mohandas Shenoy Adige and Mr. Vijay Agarwal were present and leave of absence was given to Mr. Anoj Menon.



The Committee has been constituted to fix remuneration payable to the Managing Director/Executive Directors, and such other matters relating to the remuneration and compensation payable to the Director(s) and employees.

The Company does not pay any remuneration to its non-executive directors except sitting fees for attending each meeting of the Board of Directors and Committee w.e.f. 25th May, 2010.

Details of remuneration paid to all the Directors of the Company during the year:

Sr No.	Name of director	Remuneration (Rs.)	Sitting fees (Rs.)
1.	Mr. Yashovardhan Birla	—	15,000
2.	Mr. Nidigallu Srikrishna	30,11,860	—
3.	Mr. Mohandas Shenoy Adige	—	48000
4.	Mr. Vijay Agarwal	—	11000
5.	Mr. Anoj Menon	—	54000
6.	Mr. Tushar Dey	—	48000

Except for Mr. Yashovardhan Birla who holds 11,200 equity shares in the Company, none of the other directors hold shares in the Company.

C. Shareholders / Investors Grievance Committee

The Board of Directors of the Company has re-constituted the Shareholders /Investors Grievance Committee during the year. The Composition of the Committee is as follows:

Name	Title	Status
Mr. Anoj Menon	Chairman	Independent
Mr. Tushar Dey	Member	Non-Executive Non-Independent

The Company Secretary acts as the Secretary to the Committee.

The meetings of the Committee were held on 27th May, 2010, 27th July, 2010, 12th Nov, 2010 & 8th Feb, 2011. The attendance of the meeting was as follows:

Name	No. of Meetings held during the year	No. of meetings attended
Mr. Anoj Menon	4	4
Mr. Tushar Dey	4	4

The Committee oversees redressal of shareholders and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. and recommends measures to improve the level of investor services.

The Company has authorized the Company Secretary, severally to approve the share transfers.

The Board has designated Mr. Vijay Mishra as the Compliance Officer of the Company (w.e.f 09/08/2011). The total number of complaints received and replied to the satisfaction of the shareholders during the year under review was 10. Outstanding complaints as on 31st March, 2011, were NIL. No requests for transfer and for dematerialization were pending for approval as on 31st March, 2011.

III. General Body Meetings

Location and time of the last three Annual General Meetings were as follows:-

Year	Location	Date	Time
16 th Annual General Meeting 2007-2008	Gopi Birla Memorial school, 68,Walkeshwar Road, Mumbai-400004	30 th September, 2008	5.00 pm
17 th Annual General Meeting 2008-2009	Indian Red Cross Society, 141 Shahid Bhagat Singh Road, Town Hall Compound, Mumbai GPO, Mumbai 400 001	26 th September, 2009	3.00 pm
18 th Annual General Meeting 2009-2010	Maharashtra Chamber of Commerce, Oricon House, 6 th Floor, 12, K. Dubhash Marg, Fort, Mumbai-400 001	27 th September 2010	3.00 pm

**Special resolutions passed in the previous three Annual General Meetings:**

No special resolutions were passed in the 16th Annual General Meeting held on 30th September, 2008 and the 17th Annual General Meeting held on 26th September, 2009. However, in the 18th Annual General Meeting held on 27th September, 2010, the following special resolutions were passed:

1. Increase in Authorized Share Capital and amendment of the Memorandum of Association of the Company.
2. Alteration of Articles of Association of the Company subsequent to increase in Authorized share capital of the Company.
3. Further issue of shares u/s 81 (1) and 81 (1A)
4. Delisting of shares from Calcutta Stock Exchange Limited
5. Delisting of shares from Ahmedabad Stock Exchange Limited
6. Increase in Remuneration of the Managing Director
7. Issuance of Equity Share Warrants of the Company to Promoters on Preferential Allotment Basis.

IV. CEO/CFO CERTIFICATION

The Board of Directors has received a certificate issued by Mr. Nidigallu Srikrishna, Managing Director and Mr. Chetan Shah in their capacity as Chief Executive Officer (CEO) and Chief Financial Officer (CFO), respectively, of the Company as envisaged in Clause 49 (V) of the Listing Agreement.

V. DISCLOSURES

- i. None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of members is drawn to the disclosures of transactions with related parties set out in the notes on accounts – Schedule '16' forming part of the annual report
- ii. There have been no instances of non-compliance by the Company on any matters relating to Capital Markets during the last three years and hence no penalties and strictures have been imposed on the Company by the Stock Exchanges or SEBI, or any statutory authority.

VI. MEANS OF COMMUNICATION**i. Quarterly results**

In compliance of the provisions of Clause 41 of the Listing Agreement, the un-audited quarterly financial results, as approved by the Board, were duly published within the stipulated time period in "Free Press Journal" (English), and "Navshakti" (Vernacular). The results are also displayed on the Company's website: www.birlashloka.com

- ii. **Management Discussion and Analysis report** forms part of the Director's Report which is posted to the shareholders of the Company.

- iii. The Company has designated the following email-id for redressal of investor grievances and the necessary disclosure to this effect has also been made on the Company's website www.birlashloka.com - complianceofficer@birlashloka.com

VII. GENERAL SHAREHOLDER INFORMATION**Annual General Meeting**

Date and Time	: 22 nd September, 2011 at 3.00 pm
Venue	: Maharashtra Chamber of Commerce, Oricon House, 6th floor, 12, K. Dubhash Marg, Fort, Mumbai 400 001

Financial Calendar 2011-12 (tentative):

First Quarterly Results	: On or before 14 th August 2011
Second Quarterly Results	: On or before 14 th November 2011
Third Quarterly Results	: On or before 14 th February 2012
Fourth Quarterly Results	: On or before 15 th May 2012

Book closure date : 19th September, 2011 to 22nd September, 2011 (both days inclusive)

**Listing of Equity Shares on:**

- (i) The Bombay Stock Exchange,
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400001
Stock Code: 511607

Annual listing fees were duly paid to the Stock Exchanges for the year 2011-12

Demat ISIN Numbers in NSDL & CDSL for Equity Shares: INE 814E01018

Stock Prices

Monthly high and low of market prices of the Company's equity shares traded at Bombay Stock Exchange Limited during the year along with BSE Sensex:

Month	Birla Shloka Edutech Ltd (BSEL)		Bombay Stock Exchange, Sensex	
	BSEL High (Rs.)	BSEL Low (Rs.)	BSE High (Rs.)	BSE Low (Rs.)
April 2010	81.80	68.30	18,047.86	17,276.80
May 2010	84.45	68.10	17,536.86	15,960.15
June 2010	94.45	67.20	17,919.62	16,318.39
July 2010	80.80	57.50	18,237.56	17,395.58
August 2010	62.90	31.15	18,475.27	17,819.99
September 2010	40.40	27.15	20,267.98	18,027.12
October 2010	43.30	27.75	20,854.55	19,768.96
November 2010	40.00	25.00	21,108.64	18,954.82
December 2010	31.55	21.05	20,552.03	19,074.57
January 2011	27.50	20.55	20,664.80	18,038.48
February 2011	22.30	13.50	18,690.97	17,295.62
March 2011	17.85	14.65	19,575.16	17,792.17

Registrars & Transfer Agents:

M/s Bigshare Services Private Limited
E-2/3, Ansa Industrial Estate, Sakivihar Road,
Andheri (E), Mumbai-400 072
Tel: 022-40430200 Fax: 022-28475207

Share Transfer System: Presently, the share transfers which are received in physical form are processed and the share certificates returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission etc. of the Company's securities to the Shareholders' Grievance Committee. A summary of transfer / transmission of securities of the Company so approved are placed before the Shareholders' Grievance Committee for noting. The Company obtains from a company secretary in practice half-yearly certificate for compliance with the share transfer formalities as required under Clause 47(C) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

Distribution of Shareholding as on 31st March, 2011

Shareholding range (In Rs.)	No. of shareholders	No. of shares held	As a % to total shares
1-5000	9153	2000798	10.0300
5001-10000	1836	1567719	7.8589
10001-20000	969	1551481	7.7775
20001-30000	362	944995	4.7372
30001-40000	188	689249	3.4552
40001-50000	143	679739	3.4075
50001-100000	280	2065581	10.3547
100001 and above	221	10448663	52.3789
Total	13152	19948225	100

**Shareholding pattern as on 31st March, 2011**

Category	%
Promoters / PACs	22.0550
Financial Institutions / Banks / Mutual Funds	—
FII's/NRI/OCBs	1.2634
Bodies Corporate	16.5952
Individual	59.2580
Others	0.8284
Total	100.00

Dematerialization of Shares: Approximately 97.6 % of the Company's paid up equity shares have been dematerialized upto 31st March, 2011.

Address for Correspondence**Principal Offices:****Regd Office:**

Industry House
159, Churchgate Reclamation
Mumbai - 400 020

Head Office:

Melstar House,
G-4, M.I.D.C Cross Road - A,
Andheri - East, Mumbai - 400 093

Investor Correspondence:**For transfer/dematerialization of shares**

M/s Bigshare Services Private Limited
E-2/3, Ansa Industrial Estate
Sakivihar Road, Andheri (E)
Mumbai 400 072
Tel: 022-40430200 Fax: 022-28475207

Investor correspondence may be addressed to the above address.



AUDITORS CERTIFICATE

We have reviewed the Company's procedure and compliance with the provisions of Clause 49 regarding corporate governance of the Listing Agreement, on the basis of our review and according to the information and explanation given to us and the representation made to us by the management, we state that to the best of our knowledge and belief, the Company has complied with the mandatory requirement of the provisions of corporate governance stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges.

For and on behalf of

LKM & CO.

Chartered Accountants

Sd/-

LAXMIKANT MALPANI

M. No. 106989

Proprietor

Place : Mumbai

Date : May 20th, 2011



AUDITORS' REPORT TO THE MEMBERS OF BIRLA SHLOKA EDUTECH LIMITED

We have audited the attached Balance Sheet of BIRLA SHLOKA EDUTECH LIMITED, as at 31st March, 2011, the Profit and Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We concluded our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan & perform the audit to obtain reasonable assurance about whether the financial are free of material misstatement. An audit includes examining, on a test basis, evidences supporting the amounts & disclosures in the financial statements. An audit also includes assessing the accounting principles used & significant estimates made by the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' report) Order 2003, as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above we report that:

- (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of audit;
- (b) in our opinion proper, proper books of accounts as required by the law have been kept by the Company so far as it appears from our examination of those books;
- (c) the Balance sheet, the Profit & Loss account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
- (d) in our opinion, the Balance Sheet, the Profit & Loss account & Cash Flow Statement dealt with by this report comply with Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
- (e) on the basis of written representation received from the directors, as at 31 March 2011 and taken on record by Board of Directors, we report that none of the directors is disqualified as at 31 March 2011 from being appointed as a director in terms of Section 274(1)(g) of the Act and;
- (f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011;
 - ii. in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **LKM & Co.**
Chartered Accountants
FRN No.126823 W

L K MALPANI
Proprietor
M.No.106989

Place : Mumbai,
Date : May 20th, 2011

ANNEXURE TO THE AUDITORS' REPORT

The annexure referred to in our report to the members of Birla Shloka Edutech Limited for the year ended 31 March 2011. We report that:

- (i) **Fixed Assets :**
 - a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Fixed Assets. Company has also classified advances for Tribal- Maharashtra project as WIP which is part of the fixed assets schedule.
 - b) All the assets have not been verified by the management during the year but the Company has done physical verification of its Fixed Assets on test basis, which in our opinion, is commensurate with the size and the nature of its assets. Accordingly, certain fixed assets have been physically verified by the management during the year and end of the year. The software has also been physically verified and certified by the management. As informed, no material discrepancies were noticed on such verifications.
 - c) There was no substantial disposal of Fixed Assets disposed during the year.
- (ii) **Inventories :**
 - a) The stock-in-trade has been physically verified during the year at reasonable intervals by the management.



- b) The procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the company and the nature of the business.
- c) In our opinion, the Company has maintained proper records of inventories and no material discrepancies were noticed by management between their physical stock, as verified, and book records at the end of the year as stated by the management in their representation. On the basis of this representation the same has not been verified by us.
- (iii) **Loans and Advances :**
- a) The Company has granted or taken loans secured / unsecured to/from the companies or other parties covered in the register maintained under section 301 of the Act. The outstanding as on March 31, 2011 on account of Loans / Advances taken / granted by the company to parties amounting net to Rs. 11,58,86,110/-
- b) In our opinion, the rate of interest and other terms and conditions on which the loans are granted/taken, are not prejudicial to the interest of the Company.
- c) In case of loans granted/taken, the borrower has *not* been regular in making the payment of interest. The terms of arrangement do not stipulate the repayment schedule and is repayable on demand including interest. Accordingly, paragraph 4(iii) (c) of the order is not applicable to the Company in respect of payment of principal amount.
- d) There is overdue amount of more than rupees one lakh in respect of loans granted to the body corporate listed in register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraph 4(iii) (d) of the order is not applicable.
- (iv) **Internal Control :**
- In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate to the size of the company and the nature of business for the purchase of inventory, fixed assets and for the sale of goods and services. Further on the basis our examination of the books and records of the company, and according to the information and explanations given to us, we have not observed any major weaknesses in the internal control system during the course of Audit. However, there is a scope for further strengthening the Internal Controls.
- (v) **Transaction with Related parties as per Register of contract u/s 301 of the Companies Act, 1956 :**
- a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered into the register maintained under that section.
- b) In our opinion and according to the information and explanations given to us, the transactions have been made at prices which are reasonable having regard to the prevailing market prices.
- (vi) **Deposits from Public :**
- The Company has not accepted any deposits from the public. Accordingly paragraph 4(vi) of the Order is not applicable.
- (vii) **Internal Audit Systems :**
- In our opinion, the company has an Internal Audit System commensurate with its size and nature of its business however during the year the company has not appointed the internal auditor.*
- (viii) **Cost Records :**
- The Central Government of India has not prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for the sales made/ services rendered by the company. Accordingly, paragraph 4(viii) of the Order is not applicable.
- (ix) **Statutory Dues :**
- a) According to the information and explanations given to us and the basis of our examination of the records of the Company, amount deducted / accrued in the books of accounts in respect of undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, and other statutory dues have generally been regularly paid/deposited during the year by the company with the appropriate authorities. Except Material due towards Service Tax is pending to be paid for Rs. 22,11,119/-, pending and CST payable is Rs. 6,96,280/-.
- b) According to the information & explanations given to us, there are no material dues of Sales Tax, Income Tax, Excise and Customs, Cess, which has not been paid/deposited on account of any dispute.
- (x) **Sick Industry :**
- The Company has not incurred any Cash Loss at the end of financial year covered under the Audit or in the immediately preceding financial year. Accordingly, paragraph 4(x) of the Order is not applicable.



(xi) **Dues to Financial Institution :**

Based on the information and the explanations given to us and the audit of books of accounts performed by us, we are of the opinion that Company has not defaulted in repayment of dues to the banks and financial institution.

(xii) **Secured Loans and Advances Granted :**

The Company has not granted any loan and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, paragraph 4(xiii) of the Order is not applicable.

(xiii) **Chit fund, Nidhi or Mutual Fund :**

In our opinion and according to the information and explanations given to us, the Company is not a Chit Fund / Nidhi / Mutual Benefit Fund / Society. Accordingly, paragraph 4(xiii) of the Order is not applicable.

(xiv) **Investment Company :**

According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investment. Accordingly, paragraph 4(xiv) of the Order is not applicable to the Company.

(xv) **Guarantees given by the Company :**

According to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from banks or financial institutions. Accordingly, paragraph 4(xv) of the Order is not applicable to the Company.

(xvi) **Term Loans :**

Term Loan of Rs. 10 Crores sanctioned by Catholic Syrian Bank remains unutilized as the same has not been drawn by the company.

(xvii) **Source of Fund and its application :**

According to the information and explanation given to us and overall examination of Balance Sheet of the Company, we report that no fund rose on short term basis have been used for the long term investment. No long term fund has been used to finance short term assets except permanent working capital.

(xviii) **Preferential Issue :**

The Company has made Preferential Offer of 1994824 numbers of Share Warrants to Promoters, out of which 997412 shares has been converted into Share Capital and balance Warrants are pending for conversion at the Rate of Rs. 10/- face value and Rs. 58/- share premium to the parties and the companies covered in the register maintained u/s 301 of Companies Act, 1956. Accordingly, paragraph 4(xviii) of the Order is applicable to the Company. Its accordance with resolutions has been passed on 12-10-2010 and Shares are issued at a price prescribed as per SEBI guidelines and price is not prejudicial to the interest of the company.

(xix) **Debentures :**

The Company did not have any outstanding debentures during the year. Accordingly, paragraph 4(xix) of the Order is not applicable.

(xx) **Public Issue :**

The Company came up with GDR issue as per resolution passed on 15-02-2010 and Shareholders' approval on 26-03-2010. The company issued a No. 279785 of GDR representing 69, 94,625 underlying equity shares of Rs. 10/- each. Subsequently the underlying no. of equity shares 69, 94,625 of Rs. 10/- each at Rs. 65.25/- per share to be represented by a Global Master GDR Certificate on 5th August, 2010. The GDR have been listed with Luxembourg Stock Exchange. Each GDR is representing to 25 no. of equity share a face value of Rs. 10. We would like to draw attention to *Note no. 4 in Notes to Accounts (Schedule - 15)* stating the utilization of funds which have been verified by us on the basis of the records produced before us.

(xxi) **Fraud :**

During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For **LKM & Co.**
Chartered Accountants
FRN No.126823 W

L K MALPANI
Proprietor
M.No.106989

Place : Mumbai,
Date : May 20th, 2011

**BALANCE SHEET AS AT 31ST MARCH, 2011.**

Particulars	Sch. No.	Current Year 31.03.2011 Rupees	Previous Year 31.03.2010 Rupees
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	226,412,357	129,536,000
Reserve and Surplus	2	764,457,035	309,372,688
		990,869,392	438,908,688
Loan Funds			
Secured Loans	3	97,428,639	30,008,362
Unsecured Loan		—	—
		97,428,639	30,008,362
Deferred Tax Liability (Net)	4	2,396,302	3,978,126
TOTAL		1,090,694,333	472,895,176
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	261,153,634	218,678,300
Less: Accumulated Depreciation / Amortization		105,906,149	46,286,255
Net Block		155,247,485	172,392,045
Add: Capital Work in Progress		144,989,069	5,412,520
		300,236,554	177,804,565
Investments			
	6	428,070,508	—
Current Assets, Loans & Advances			
Inventories		55,656,569	4,191,948
Sundry Debtors	7	702,607,313	476,281,835
Cash & Bank Balances	8	18,452,684	106,674,716
Loans, Advances & Other Current Assets	9	258,630,124	171,882,158
		1,035,346,691	759,030,657
Less : Current Liabilities & Provisions			
Current Liabilities	10	659,958,761	453,574,626
Provisions	11	13,000,659	10,365,420
		672,959,420	463,940,046
Net Current Assets		362,387,270	295,090,611
Miscellaneous Expenses			
(To the extent not written off or adjusted)	12	—	—
TOTAL		1,090,694,333	472,895,176
Notes on Accounts			
	16		

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet

* As per our report of even date

For and on behalf of the Board

LKM. & CO.

Chartered Accountants

Sd/-
Laxmikant Malpani
Proprietor
M. No. 106989

Sd/-
Tushar Dey
Director

Sd/-
Mohandas Shenoy Adige
Director

Sd/-
N. Srikrishna
Managing Director

Sd/-
Chetan R.Shah
Vice President-F & A

Place : Mumbai

Date : 20th May, 2011

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED, 31ST MARCH 2011.**

Particulars	Sch. No.	Current Year 31.03.2011 Rupees	Previous Year 31.03.2010 Rupees
INCOME			
Income from Operations		1,856,025,211	1,797,973,957
Other Income	13	14,723,910	2,050,891
Increase / (Decrease) in stock		51,464,621	1,396,292
TOTAL		1,922,213,742	1,801,421,140
EXPENDITURE			
Direct Expenses		1,763,766,816	1,701,700,749
Operative & Other Expenses	14	35,257,330	22,016,222
Financial Expenses	15	6,344,361	3,215,734
Depreciation	5	59,619,894	21,048,852
TOTAL		1,864,988,401	1,747,981,557
Profit/(Loss) before taxation		57,225,341	53,439,583
Provision for Taxation			
Current Tax		11814,000	9,082,057
Less: MAT Credit Entitlement		—	(9,082,057)
		11,814,000	—
Deferred Tax		(1,581,824)	3,335,908
		10,232,176	3,335,908
Adjustment for earlier year tax		1,443,559	—
Total tax expense		11,675,735	3,335,908
Profit/(Loss) after Taxation		45,549,606	50,103,675
Balance brought forward from Previous Year		56,526,447	6,422,772
Transfer from Amalgamation Reserve Account		—	—
Surplus Carried to Balance Sheet		102,076,053	56,526,447
Earnings per share			
Basic - Nominal Value of Shares Rs. 10		2.60	6.96

Notes on Accounts

16

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet

* As per our report of even date

For and on behalf of the Board**LKM. & CO.****Chartered Accountants**

Sd/-
Laxmikant Malpani
Proprietor
M. No. 106989

Sd/-
Tushar Dey
Director

Sd/-
Mohandas Shenoy Adige
Director

Sd/-
N. Srikrishna
Managing Director

Sd/-
Chetan R.Shah
Vice President-F & A

Place : Mumbai

Date : 20th May, 2011

**SCHEDULES TO BALANCE SHEET AS ON 31ST MARCH, 2011.**

Particulars	Current Year 31.03.2011 Rupees	Previous Year 31.03.2010 Rupees
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORISED		
100,000,000 Equity Shares (Previous Year 50,000,000 Equity Shares) of Rs. 10/- each	1,000,000,000	500,000,000
ISSUED SUBSCRIBED & PAID UP		
20945637 Equity Shares (Previous Year 12953600 Equity Shares) of Rs. 10/- each fully paid-up	209,456,370	129,536,000
Of the above:		
i. 6994625 equity shares of Rs. 10/- each were issued at a premium of Rs. 55.25 issued and represented by GDR		
ii. 997412 no. of equity shares of Rs. 10 each were issued at a premium of Rs. 58/- against share warrants.		
	209,456,370	129,536,000
SCHEDULE-1-A		
EQUITY SHARE WARRANTS		
Upront consideration at (Rs 17 per warrant received towards Preferential allotment of 9,97,411 Equity Share Warrants of Rs 10/- each at Rs 58/-Share Premium per equity share in exercise of option by the warrant holders)	16,955,987	—
Total	16,955,987	—
GRAND TOTAL	226,412,357	129,536,000
SCHEDULE - 2		
RESERVES & SURPLUS		
Securities Premium at the beginning of the year	252,846,241	6,400,000
i. 6994625 equity shares of Rs 10/- each were issued at a premium of Rs 55.25/-issued against GDR	386,453,031	278,200,000
ii. 997412 no. of equity shares of Rs 10/- each at Rs 58/- Share Premium issued against Share Warrants.	57,849,896	—
Less: Issue Expenses pertaining to FPO	2,548	29,423,486
Less: issue expenses pertaining to GDR	34,647,813	—
Less: issue expenses pertaining to share warrants	117,825	—
Less: Preliminary Expenses written off	—	2,330,273
Securities Premium at the end of the year	662,380,982	252,846,241
Profit & Loss Account	102,076,053	56,526,447
	764,457,035	309,372,688
SCHEDULE - 3		
SECURED LOANS		
Loans from Banks		
Term Loan / Over Draft	96,726,622	28,989,518
Security:		
i. Equitable Mortgage of Office Premises		
ii. Hypothecation of Book Debts		
Loans from Others		
Vehicle Finance	702,017	1,018,844
(Amount repayable within one year Rs. 412,572/- (Previous Year Rs.3,69,437)		
Security - First charge on the Vehicles financed		
	97,428,639	30,008,362
SCHEDULE - 4		
DEFERRED TAX		
Deferred Tax Liability		
Difference in depreciation and other differences in block of assets as per tax books and financial books	18,203,119	15,915,589
Gross Deferred Tax Liability	18,203,119	15,915,589
Deferred Tax Asset		
Unabsorbed Depreciation	—	3,408,589
Effect of Preliminary Expenses adjusted against Securities Premium	15,806,817	8,528,873
Gross Deferred Tax Asset	15,806,817	11,937,462
Net Deferred Tax Liability	2,396,302	3,978,126



Schedule 5

FIXED ASSETS

Description of Asset	Gross Block			Depreciation			Net Block	
	As on 31.03.2010	Additions	Deductions	As on 31.03.2010	For the Year	Deductions	As on 31.03.2011	As on 31.03.2010
A TANGIBLE ASSETS								
Office Building	42,429,503	—	—	8,334,772	1704737	—	10,039,509	34,094,731
Shop Building	5,669,000	—	—	2,051,472	361,753	—	2,413,225	3,617,528
Computer Systems	16,182,095	1,630,791	—	13,220,323	1,744,589	—	14,964,913	2,961,772
Furniture & Fixtures	2,083,576	40,000	—	1,112,919	181,161	—	1,294,081	970,657
Office Equipments	2,941,028	1,807,200	—	1,203,858	413,862	—	1,617,719	1,737,170
Vehicles	1,656,936	—	—	291,717	353,455	—	645,172	1,365,219
Total (A)	70,962,138	3,477,991	—	26,215,061	4,759,557	—	30,974,618	44,747,077
B INTANGIBLE ASSETS								
Computer Software (Content)	25,476,494	5,412,520	—	3,035,851	2,785,316	—	5,821,167	22,440,643
Computer Software (Other)	118,858,794	33,594,823	—	17,035,343	52,075,021	—	69,110,363	101,823,451
Goodwill	3,380,874	—	—	—	—	—	—	3,380,874
Total (B)	147,716,162	38,997,343	—	20,071,193	54,860,337	—	74,931,530	127,644,969
Total (A+B)	218,678,300	42,475,334	—	46,286,255	59,619,894	—	105,906,149	172,392,045
WIP@School (Vindpassana)- C	5,412,520	5,289,715	5,412,520	—	—	—	—	5,412,520
WIP-tribal project (Maharashtra)-D	—	139,699,354	—	—	—	—	—	—
Grand total (A+B+C+D)	224,090,820	18,7464,403	5,412,520	46,286,255	59,619,894	—	105,906,149	177,804,565

**SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2011**

	Current Year 31.03.2011 Rupees	Previous Year 31.03.2010 Rupees
SCHEDULE – 6		
INVESTMENTS		
In quoted companies	—	—
In unquoted companies:-		
Enn Vee holdings private Limited		
402000 no. of shares of Rs 250/- each	100,500,000	—
Birla Shloka Edutech limited FZE		
1 No. of share of 35000 UAE DIRHAM each		
Conversation rate is 1 UAE Dirham=12.01(INR)	420,508	—
Share Application Money Birla Edutech Ltd (pending for allotment)	327,150,000	—
TOTAL	<u>428,070,508</u>	<u>—</u>
SCHEDULE - 7		
SUNDRY DEBTORS		
Debts outstanding for a period exceeding six months		
Unsecured, considered good		
Group companies	9,502,666	9,191,331
Others	107,098,326	59,408,488
Debts outstanding for a period less than six months		
Unsecured, considered good		
Group companies	125,471	147,651
others	585,880,850	407,534,365
	<u>702,607,313</u>	<u>476,281,835</u>
SCHEDULE - 8		
CASH & CASH EQUIVALENTS		
Cash in Hand	867	28,187
Bank Balance		
In Current Account	2,232,829	79,099,714
In Fixed Deposit Account	15,852,243	25,000,000
Cheques in Hand	366,745	2,546,815
	<u>18,452,684</u>	<u>106,674,716</u>

**SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2011**

	Current Year 31.03.2011 Rupees	Previous Year 31.03.2010 Rupees
SCHEDULE - 9		
LOANS, ADVANCES & OTHER CURRENT ASSETS		
Unsecured-considered good		
Advance and loans to subsidiary	105,000	—
Advance and loans to group companies	115,781,110	52,978,675
Advances recoverable in cash or in kind or for value to be received	118,968,641	94,543,925
Deposits for EMD (tender), lease & rent (security), I Tax	5,516,653	2,140,452
Advance Payment of Taxes (T.D.S)	2,550,030	5,087,166
Mat Entitlement	7,622,578	9,082,057
Other Current Assets	8,086,112	8049,883
	<u>258,630,124</u>	<u>171,882,158</u>
SCHEDULE - 10		
CURRENT LIABILITIES		
Sundry creditors:		
Group companies	141,712	141,712
others	643,683,385	434,404,366
Advances Received from Customers	562,054	6,348,805
Other Advances	2,050,000	410,000
Loan from Group Companies	9,744,177	9,744,177
Loan from other companies	3,000,000	—
Other Liabilities	777,433	2,525,566
	<u>659,958,761</u>	<u>453,574,626</u>
SCHEDULE - 11		
PROVISIONS		
Provisions for Expenses	890,369	989,654
Provision for Tax	12,110,290	9,375,766
	<u>13,000,659</u>	<u>10,365,420</u>
SCHEDULE - 12		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Preliminary Expenses		
As per last balance sheet	—	2,330,273
Add: Incurred during the year	—	—
Less: Adjusted against Securities Premium	—	2,330,273
	<u>—</u>	<u>—</u>

**SCHEDULES TO PROFIT & LOSS ACCOUNT FOR YEAR ENDED 31ST MARCH, 2011.**

Particulars	Current Year 31.03.2011 Rupees	Previous Year 31.03.2010 Rupees
SCHEDULE 13		
OTHER INCOME		
Interest on Corporate Advances	9,750,546	659,527
Profit on sale of Assets	—	17,001
Miscellaneous Income	4,973,364	1,374,363
	<u>14,723,910</u>	<u>2,050,891</u>
SCHEDULE 14		
ADMINISTRATIVE & OTHER EXPENSES		
Personnel Expenses		
Salaries, Staff Remuneration and Bonus	17,156,581	8,529,504
Contribution to Provident and Other Fund	941,464	507,072
Staff Welfare	403,736	245,229
Gratuity	28,594	425,069
Business promotion	243,514	69,250
Charity & Donations	110,000	1,510,000
Communication Expenses	590,705	329,312
Commission & Brokerage	415,860	94,453
Electricity Expenses	858,794	1,073,895
Legal & Professional Fees	6,807,347	2,603,543
Rates & Taxes	181,511	1,031,982
Rent	3,838,500	1,610,458
Repairs & Maintenance	406,809	395,513
Traveling & Conveyance	1,583,238	1,215,280
Miscellaneous Expenses	1,409,678	2,162,663
Audit Fee	281,000	213,000
	<u>35,257,330</u>	<u>22,016,222</u>
SCHEDULE 15		
FINANCE EXPENSES		
Interest	6186,274	2,797,106
Bank charges	158,086	418,628
	<u>6,344,361</u>	<u>3,215,734</u>

**Schedule 16 - Significant Accounting Policies and Notes to Accounts****Significant Accounting Policies****1) Nature of Operations:**

Birla Shloka Edutech Limited is engaged in the business of providing IT and IT enabled solutions to schools and institutions under the ICT projects.

2) Significant Accounting Policies**a) Basis of Preparation**

The financial statements have been prepared to comply in all material respects with the Notified accounting standard by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation

Depreciation is provided using the Written down Value Method at the rates prescribed under Schedule XIV of the Companies Act, 1956, at the following rates:

Asset Group	Rates (WDV)
Office Building	5.00%
Shop Building	10.00%
Computer Systems	40.00%
Computer Software	40.00%
Computer Software (Content)	10.00%
Furniture & Fixtures	18.10%
Electrical Fittings	13.91%
Office Equipments	13.91%
Motor Vehicles	25.89%

d) Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

e) Application of securities premium accounts

Share issue expenses (includes GDR expenses) are charged against share premium account.

f) Inventories

Inventories are valued at lower of cost or net realizable value. Cost includes the cost of procuring the goods and is computed on First in First out (FIFO) basis.

g) Intangible Assets**i. Goodwill**

The Company assesses at each balance sheet date whether there is any indication that the asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset and the difference if any is charged to the Profit and Loss Account.



ii. Content

The Company is engaged in development of educational software content pertaining modules on various subjects based on the curriculum of various Boards, costs of which is capitalized. The company amortizes the cost of such content on Written Down Value Method at the rate of 10%. Management regularly reviews and revises, where necessary, its total estimates which may result in a change in the rate of amortization and/or a write down of the intangible asset to fair value.

h) Leases

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account.

i) Revenue Recognition

i. Revenue from Operations

The company derives its revenue from either supply or on installation of educational content and services, content licensing, sale of content and technology products. The revenue from sale of educational content and technology products is recognized upon dispatch / delivery to the Customer. Revenue from ICT BOOT model is recognized over the period of the contract. Revenue from Licensing of content is recognized when the knowledge based content is delivered and accepted.

ii. Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

j) Borrowing Costs

Borrowing cost relating to acquisition of Fixed Assets which takes substantial period of time to get ready for intended use are capitalized as a part of the cost of such assets. All other Borrowing Costs are charged to revenue.

k) Income Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available



MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

l) Segment reporting

The company is functioning in only one segment; i.e. InfoTech hence, Segment Reporting required under AS 17 is not applicable.

m) Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of conversion of shares warrant, shares issued against GDR.

n) Provisions & Contingent Liabilities

The Company recognizes a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent Assets are neither recognized nor disclosed in the Financial Statements.

o) Miscellaneous Expenditure

Costs incurred in connection with raising capital and borrowings are adjusted against the Securities Premium account.

p) Cash & Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand, short term investments with original maturity of three months or less and fixed deposits with banks.

3) Notes to Accounts

The company had allotted 6,955,000 equity shares on January 27, 2010, pursuant to the follow on public offer in last financial year 2009-2010.

The details of the funds received towards such issue and allotment including Share Premium thereon and utilization of such funds are given below:

(Rs. In Lakhs)

Sr. No.	Particulars	Projection in Prospectus	Actual Funds Utilised till March 31, 2011
1	Capital Expenditure for BOOT Model	1,500.00	1421.99
2	Capital Expenditure for XL@ School	950.00	1158.62
3	Mergers & Acquisition Activity	450.00	NIL
4	Working Capital Requirement	213.10	398.83
5	Issue Expenses	303.15	303.15
6	Contingencies	61.25	40.87
	Total	3,477.50	3,323.46

Unutilized FPO Proceeds of Rs. 150.00 Lakhs have been Temporary held in short term interest bearing liquid instruments and balance Rs.4.04 lakhs are in current account with the bank.

4) The company came up with a No. 279785 of GDR issue representing 69, 94,625 underlying equity shares of Rs. 10/- each. Subsequently the underlying no. of equity shares 69, 94,625 of Rs.10/- each at Rs. 65.25/- per



share to be represented by a Global Master GDR Certificate on 5th August, 2010 to The Bank of New York Mellon. The GDR have been listed with Luxembourg Stock Exchange.

The details of the funds received towards such issue and allotment including Share Premium thereon and utilization of such funds are given below:

Total fund received from GDR issue are Rs.4,611.78 lakhs, (is includes forex gain/loss) & utilized Rs. 4,603.87 lakhs including Issue Expenses. The above funds are utilized for General Corporate Purposes (Future Project & Acquisitions, Long term working capital, other general purposes) Unutilized GDR Proceeds of Rs. 7.91 lakhs is temporary lying with Bank.

- 5) The company pursuant to the resolution passed by the shareholders of the company at their 18th Annual General Meeting held on 27th September, 2010 approving the issue of convertible equity share warrants to the Promoter's & Promoter's Group on preferential allotment basis. The company allotted 19, 94,823 share warrants to the promoter's, out of which 9, 97,412 share warrants were converted into same no. Equity Shares of Rs. 10/- each at Premium of Rs. 58/- per share. The Balance 9, 97,411 share warrants were outstanding pending conversion as on 31st March, 2011.
- 6) During the year the Company has invested Rs. 5.26 lakhs in 100% subsidiary M/S BIRLA SHLOKA /EDUTECH LTD FZE in UAE. Out of Which Rs 4.21 lakhs Invested towards 1 no. of share @ 35000 AED each of FZE and Balance Rs. 1.05 towards loan.
- 7) According to the records of the company, undisputed statutory dues including provident fund, service tax, cess and other statutory dues have been regularly deposited with the appropriate authorities, excepting a service tax of Rs. 22, 11,119 along with the Interest which is due.
- 8) The Company has not received any intimation from 'suppliers' regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the yearend together with interest paid / payable as required under this Act have not been given.

9) Related party disclosures

a) List of Parties:

i) Key Management Personnel

Mr. Yashovardhan Birla – Chairman
Mr. Srikrishna Nidigallu – Managing Director

ii) Enterprises owned or significantly influenced by key management personnel or their relatives

Birla Edutech Ltd
Birla Electrical Ltd.
Birla Global Corporate Ltd
Birla Infrastructure Ltd
Birla Power Solutions Ltd.
Birla Precision Technologies Ltd.
Birla Surya Ltd
Birla Transasia Carpets Ltd.
Birla Viking Travels Ltd.
Dagger Forst Tools Ltd.
Godavari Corporation Ltd
Melstar Information Technologies Ltd
Nirved Traders Ltd
Scimitar Investment & Trading Co Ltd
Shearson Investment & Trading Co Ltd
Zenith Birla India Ltd
Birla Shloka Edutech Limited, FZE

b) Particulars of Related Party Transactions

	Particulars	Transactions during the Year
Key Management Personnel	Salary	30,11,860
Enterprises owned or significantly influenced by key management personnel or their relatives	Sale of HW	1,65,707



	Rent Received	1,15,200
	Interest Receivable	80,64,000
	Reimbursement of Expenses from Group Companies	1,47,345
	Reimbursement of expenses to Group Co	(34,802)
	Rent Paid	36,00,000
	Loan & Advances given	27,61,66,575
	Loan & Advances taken	(23,14,03,009)
	Investment in Group Companies	32,71,50,000
	Share Warrants Money Received	3,39,11,931

c) **Balance Outstanding at the Year end (net)**

Company	March 31, 2011	March 31, 2010
Birla Edutech Ltd	68,43,821	4,162,879
Birla Electrical Ltd.	NIL	(1,691)
Birla Global Corporate Ltd	2,212,919	2,227,919
Birla Infrastructure Ltd	(9,744,177)	(9,744,177)
Birla Power Solutions Ltd.	5,83,46,894	13,014,360
Birla Precision Technologies Ltd.	(364,346)	(364,346)
Birla Surya Ltd	77,090	32,665
Birla Transasia Carpets Ltd.	1,552,484	1,564,458
Birla Viking Travels Ltd.	NIL	32,234
Dagger Forst Tools Ltd.	NIL	(133,986)
Godavari Corporation Ltd	83,30,016	7,623,016
Melstar Information Technologies Ltd	NIL	(42,932)
Nirved Traders Limited	1,92,21,275	16,771,726
Scimitar Investment & Trading Co Ltd	NIL	(4,743)
Shearson Investment & Trading Co Ltd	1,38,93,799	12,120,750
Birla Cotsyn Limited	21,13,425	NIL
Birla Shloka Edutech Ltd. FZE	1,05,000	NIL
Zenith Birla India Ltd	1,26,555,22	5,151,761

10) **Earnings per share (EPS)**

Particulars	2011	2010
Net profit as per profit and loss account including exceptional items for calculation of basic EPS	45,549,606	50,104,996
Weighted average number of equity shares in calculating basic EPS	17,524,165	7,199,052
Basic EPS	2.60	6.96

11) **Gratuity and other post employment benefit plans**

a) **Define benefit plans**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The company did not make any provision in respect of the gratuity benefit in previous year as amount was not material. In Current year, the Company has adopted Accounting Standard 15 (Revised 2005) which is mandatory from accounting periods starting from April 1, 2007. However, this adoption does not have a material impact on the profit and loss account. Hence, the entire charge of Rs. 28,594 has been debited to the Profit & Loss account for the year and accordingly amounts for the previous year have not been furnished.



The following table summarizes the components of the net benefit expense recognized in the Profit & Loss Account and the funded status and amounts recognized in the balance sheet for the respective plans.

Profit & Loss Account

Net Employee benefit (expense recognized in Employee Cost)

	In Rupees March 31, 2011
Current Service Cost	2,38,136
Interest Cost on Benefit Obligation	34,006
Expected return on Planned Assets	—
Net actuarial (Gain) / Loss	(2,43,548)
Past Service Cost	—
Net benefit expense	28,594

Actual Return on Plan Assets

NA

Balance sheet

Details of Provision for gratuity

	In Rupees March 31, 2011
Defined Benefit Obligation	2,70,548
Fair value of Planned Assets	—
Amount recognized in the balance sheet	2,70,548

Changes in the present value of the defined benefit obligation are as follows:

	In Rupees March 31, 2011
Opening defined benefit obligation	425,069
Interest Cost	—
Current Service Cost	28,594
Benefits paid	183,115
Actuarial (Gains) / Losses on obligation	—
Closing defined benefit obligation	2,70,548

Changes in the fair value of plan assets are as follows:

The company does not fund the gratuity hence the disclosure relating to fair value of plan assets is not applicable.

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	March 31, 2011
Future Salary Rise	5%
Rate of Discounting	8%
Attrition Rate	2%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

b) Defined Contributing Plan

Amount recognized as an expense and included in Schedule – 14 as Contribution to Provident and Other Funds Rs. 941,464 (Previous Year Rs. 507,071)

- 12) Managerial remuneration under section 198 of the Companies Act, 1956 for the Managing Director was Rs. 3,011,860 (Previous Year Rs. 25, 00,000).

**Directors' Remuneration**

Particulars	March 31, 2011	March 31, 2010
Salaries	3,011,860	25,00,000
TOTAL	30,11,860	25,00,000

Computation of Net Profit in accordance with section 349 of the Companies Act, 1956 for calculation of Commission payable to directors

Particulars	March 31, 2011	March 31, 2010
Profit as per Profit and Loss Account	5,72,25,341	53,439,583
<i>Add:</i>		
Directors' Remuneration	30,11,860	2,500,000
Provision for doubtful debts and advances	—	521,500
<i>Less:</i>		
Profit on sale of Fixed Assets (net) as per Profit and Loss account	—	17,001
Net Profit as per Section 349 of the Companies Act, 1956	6,02,37,201	56,446,082
Commission to Managing and Whole time directors at 5% of the net profits as calculated above	30,11,860	2,822,204
Remuneration Paid to Directors	30,11,860	2,500,000

13) Auditors' fee includes:

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Statutory Audit Fees	2,20,000	168,000
Tax Audit	50,000	30,000
VAT Audit	46,000	15,000
Other	125,000	-
Total	4,41,000	213,000

- 14) Earnings in foreign exchange – On receipt basis: Rs. 894,100/- (Interest received) (Previous Year: Rs. Nil)
- 15) Expenditure in Foreign Currency – On payment basis: Rs. 15,668/- (Capital Equipment purchases) (Previous Year: Rs. Nil)
- 16) Previous year's figures have been regrouped where necessary to confirm to this year's classification.

LKM. & CO.

Chartered Accountants
FRN No. 126823W

For and on behalf of the Board

Sd/-
Laxmikant Malpani
Proprietor
M. No. 106989Sd/-
Tushar Dey
DirectorSd/-
Mohandas Shenoy Adige
DirectorSd/-
N. Srikrishna
Managing DirectorSd/-
Chetan R.Shah
Vice President-F & A

Place : Mumbai

Date : 20th May, 2011



Additional Information Under Part VI Of Schedule VI Of The Companies Act, 1956 Balance Sheet Abstract And Company's General Business Profile:

1. Registration Details:

Registration No : 66910 State Code : 11
Balance Sheet Date : 31st March, 2011

2. Capital raised during the year (Rs. in Lacs)

Public Issue : 799.20 Rights Issue : Nil
Bonus Issue : Nil Private Placement : Nil

3. Position of Mobilisation and Deployment of Funds (Rs. in Lacs)

Total Liabilities : 10906.94 Total Assets : 10906.94

SOURCES OF FUNDS

Paid - up capital : 2264.12 Reserves & Surplus : 7644.57
Secured loans : 974.29 Unsecured Loans : NIL
Deferred Tax Liability : 23.96

APPLICATION OF FUNDS

Net Fixed Assets : 3002.37 Investments : 4280.70
Net Current Assets : 3623.87 Misc. Expenses : NIL
Accumulated Losses : NIL

4. Performance of Company

Turnover (Without other income & increase / (Decrease) in stock.) : 18,560.25
Total Expenditure : 18,649.88 Profit Before Tax : 572.25
Profit After Tax : 455.50 Dividend rate % : Nil
Earning per Share in Rs. : Rs. 2.60 (Annualized)

5. Generic Names of Principle Product of the Company

Item Code No. : N.A.
Product Description

LKM. & CO.
Chartered Accountants

For and on behalf of the Board

Sd/-
Laxmikant Malpani
Proprietor
M. No. 106989

Sd/-
Tushar Dey
Director

Sd/-
Mohandas Shenoy Adige
Director

Sd/-
N. Srikrishna
Managing Director

Sd/-
Chetan R.Shah
Vice President-F & A

Place : Mumbai
Date : 20th May, 2011

**CASH FLOW STATEMENT FOR THE YEAR ENDED, 31ST MARCH 2011.**

Particulars	Current Year 31.03.2011 Rupees	Previous Year 31.03.2010 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax as per profit and loss account	57,225,341	53,439,583
Adjusted for :		
Depreciation	59,619,894	21,048,852
Profit on sale of assets (net)	—	(17,001)
Preliminary/Misc Expenses written off	—	—
Operating Profit Before Working Capital Changes	116,845,235	74,471,434
Adjusted for :		
Trade & other receivable	(226,325,480)	(271,442,402)
Inventories	(51,464,621)	(1,396,290)
Trade Payables	209,019,374	217,172,572
Tax provision-current year	(11,814,000)	—
Tax adjustments for earlier year	(1,443,559)	—
Net Cash From Operating Activities	34,816,949	18,805,314
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(182,051,883)	(125,601,652)
Preliminary /Misc. Expenses capitalized	—	2,330,273
Sale of Fixed Assets	—	452,319
Investments	(428,070,508)	—
Net Cash from Investing Activities	(610,122,391)	(122,819,060)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Unsecured Loans (Net)	—	
Proceeds from borrowings from banks (Net)	67,420,277	22,138,857
Movement in Loans & Advances	(86,747,966)	(135,546,501)
Proceeds from Issue of Share Capital	79,920,370	315,996,241
Proceeds from issue of share warrants	16,955,987	—
Proceeds from share premium	409,534,741	—
Net Cash from Financing Activities	487,083,409	202,588,597
Net Increase in Cash & Cash Equivalents (A + B + C)	(88,222,033)	98,574,851
Cash & Cash Equivalents As at beginning of year	106,674,717	8,099,866
Cash & Cash Equivalents As at end of the year	18,452,684	106,674,717

* As per our report of even date

LKM. & CO.

Chartered Accountants

For and on behalf of the Board

Sd/-
Laxmikant Malpani
Proprietor
M. No. 106989

Sd/-
Tushar Dey
Director

Sd/-
Mohandas Shenoy Adige
Director

Sd/-
N. Srikrishna
Managing Director

Sd/-
Chetan R.Shah
Vice President-F & A

Place : Mumbai

Date : 20th May, 2011

**Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary company**

Name of subsidiary company	Financial year ended on	Date of becoming subsidiary	Currency	Paid up Capital	Holding Company's interest in the subsidiary as of March 31, 2011 %	For current financial year of the subsidiary		For previous financial years since it became a subsidiary	
						Aggregate profits / (losses) not dealt with in the Holding Company's accounts	Aggregate profits / (losses) dealt with in the Holding Company's accounts	Aggregate profits / (losses) not dealt with in the Holding Company's accounts	Aggregate profits / (losses) dealt with in the Holding Company's accounts
Birla Shloka Edutech Limited FZE	March 31, 2011	08.12.2010	AED	35,000	100%	9,055	Nil	Nil	Nil
			INR	420,508		111,628	Nil	Nil	Nil

Notes:

1. Indian Rupee equivalent figures have been arrived at by applying the year end inter-bank Exchange Rate : (a) 1 AED Dirham's = Rs. 12.3278
2. Paid up Capital introduced in subsidiary has been recorded at the original rate of exchange in force at the time transactions are effected. That would be (b) 1 AED Dirham's = Rs. 12.0145

For & on behalf of the Board of Directors

Sd/-
N.Srikrishna
Managing Director

Sd/-
Tushar Dey
Director

Sd/-
Mohandas Shenoy Adige
Director

Sd/-
Chetan Shah
Vice President - F & A

Place : Mumbai

Date : 20th May , 2011



Auditors' Report on Consolidated Financial Statement of Birla Shloka Edutech Limited

1. We have audited the attached Consolidated Balance Sheet of BIRLA SHLOKA EDUTECH LIMITED ("the Company") and its Subsidiary (the Company and its Subsidiary constitute "the group") as at 31st March, 2011, & the Consolidated Profit and Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We concluded our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan & perform the audit to obtain reasonable assurance about whether the financial are free of material misstatement. An audit includes examining, on a test basis, evidences supporting the amounts & disclosures in the financial statements. An audit also includes assessing the accounting principles used & significant estimates made by the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We further report that in respect of the following subsidiary, we did not carry out the audit. The financial statements and other financial information have been audited by other auditor whose reports have been furnished to us, and our opinion is based solely on the report of the other auditor. The details of assets, revenue and net cash flow in respect of the said subsidiary are given below :-

Name of the Subsidiary	Total Assets	Total Revenue	Net Cash flow
Birla Shloka Edutech Limited FZE (Sharjah/UAE)	Rs. 7,66,364/-	Rs.89,22,245/-	Rs. 3,45,856/-

4. We report that the Consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard 21- "CONSOLIDATED FINANCIAL STATEMENTS" as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consolidation of the separate audit reports on individual financial statements of the Company and the aforesaid subsidiary and to the best of our information and according to the explanations given to us and read with Significant Accounting Policies and read together with the notes thereon, we are on the opinion that the attached Consolidated financial statement give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March 2011;
 - ii. in the case of the Consolidated Profit and Loss Account, of the profit for the year ended on that date; and
 - iii. in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For **LKM & Co.**
Chartered Accountants
FRN No.126823 W

L K MALPANI
Proprietor
M.No.106989

Place :Mumbai,

Date : May 20th, 2011

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011.**

Particulars	Sch. No.	31.03.2011 Rupees
SOURCES OF FUNDS		
Shareholders Funds		
Share Capital	1	226,412,357
Reserve and Surplus	2	764,568,663
		990,981,020
Loan Funds		
Secured Loans	3	97,428,639
Unsecured Loan	-	—
		97,428,639
Deferred Tax Liability (Net)	4	2,396,302
	TOTAL	1,090,805,961
APPLICATION OF FUNDS		
Fixed Assets		
Gross Block	5	261,153,634
Less: Accumulated Depreciation / Amortisation		105,906,149
Net Block		155,247,485
Add: Capital Work in Progress		144,989,069
		300,236,554
Investments	6	428,070,508
Current Assets, Loans & Advances		
Inventories		55,656,569
Sundry Debtors	7	702,607,313
Cash & Bank Balances	8	18,798,540
Loans, Advances & Other Current Assets	9	258,630,124
		1,035,692,546
Less : Current Liabilities & Provisions		
Current Liabilities	10	660,192,989
Provisions	11	13,000,659
		673,193,648
Net Current Assets		362,498,898
Miscellaneous Expenses	12	—
(To the extent not written off or adjusted)		
	TOTAL	1,090,805,961
Notes on Accounts	16	
The schedules referred to above and notes to accounts form an integral part of the Balance Sheet		

*As per our report of even date

LKM & CO.**Chartered Accountants****FRN 126823W**

Sd/-
Laxmikant Malpani
Proprietor Director
M. No. 106989

Sd/-
Tushar Dey
Director

Sd/-
Mohandas Shenoy Adige
Director

Sd/-
N. Srikrishna
Managing Director

Place : Mumbai

Sd/-
Chetan R.Shah



**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED,
31ST MARCH 2011.**

Particulars	Sch. No.	31.03.2011 Rupees
INCOME		
Income from Operations		1,864,947,457
Other Income	13	14,723,910
Increase / (Decrease) in stock		51,464,621
TOTAL		<u>1,931,135,988</u>
EXPENDITURE		
Direct Expenses		1,772,338,274
Operative & Other Expenses	14	35,491,559
Financial Expenses	15	6,349,292
Depreciation	5	59,619,894
TOTAL		<u>1,873,799,019</u>
Profit/(Loss) before taxation		<u>57,336,969</u>
Provision for Taxation		
Current Tax		11,814,000
Less: MAT Credit Entitlement		—
		<u>11,814,000</u>
Deferred Tax		<u>(1,581,824)</u>
		10,232,176
Adjustment for Earlier Year Tax		<u>1,443,559</u>
Total Tax Expense		<u>11,675,735</u>
Profit/(Loss) after Taxation		<u>45,661,234</u>
Balance brought forward from Previous Year		56,526,447
Transfer from Amalgamation Reserve Account		—
Surplus Carried to Balance Sheet		<u>102,187,681</u>
Earnings per share		
Basic - Nominal Value of Shares Rs. 10		2.61

Notes on Accounts

16

The schedules referred to above and notes to accounts form an integral part of the Profit & Loss Account

*As per our report of even date

For and on behalf of the Board

LKM & CO.**Chartered Accountants****FRN 126823W**

Sd/-
Laxmikant Malpani
Proprietor Director
M. No. 106989

Sd/-
Tushar Dey
Director

Sd/-
Mohandas Shenoy Adige
Director

Sd/-
N. Srikrishna
Managing Director

Place : Mumbai
Date : 20th May,2011.

Sd/-
Chetan R.Shah
Vice President – F & A



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED,
31ST MARCH 2011.**

Particulars	31.03.2011 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit before tax as per profit and loss account	57,336,969
Adjusted for :	
Depreciation	59,619,894
Profit on sale of assets (net)	—
Preliminary/Misc Expenses written off	—
Operating Profit Before Working Capital Changes	116,956,863
Adjusted for :	
Trade & other receivable	(226,325,480)
Inventories	(51,464,621)
Trade Payables	209,253,602
Tax Provisions - Current Year	(11,814,000)
Tax Adjustment for earlier Year	(1,443,559)
Net Cash From Operating Activities	35,162,806
B. CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of Fixed Assets	(182,051,883)
Preliminary/Misc. Expenses capitalized	—
Sale of Fixed Assets	—
Investments	(428,070,508)
Net Cash from Investing Activities	(610,122,391)
C. CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from Unsecured Loans (Net)	
Proceeds from borrowings from banks (Net)	67,420,277
Movement in Loans & Advances	(86,747,966)
Proceeds from Issue of Share Capital	79,920,370
Proceeds from Issue of Share Warrants	16,955,987
Proceeds from Share Premium Account	409,534,741
Net Cash from Financing Activities	487,083,409
Net Increase in Cash & Cash Equivalents (A + B + C)	(87,876,177)
Cash & Cash Equivalents As at beginning of year	106,674,717
Cash & Cash Equivalents As at end of the year	18,798,540

*As per our report of even date

LKM & CO.

Chartered Accountants

FRN 126823W

Sd/-
Laxmikant Malpani
Proprietor Director
M. No. 106989

Sd/-
Tushar Dey
Director

For and on behalf of the Board

Sd/-
Mohandas Shenoy Adige
Director

Sd/-
N. Srikrishna
Managing Director

Place : Mumbai
Date : 20th May, 2011.

Sd/-
Chetan R. Shah
Vice President – F & A

**SCHEDULES TO CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2011.**

Particulars	31.03.2011 Rupees
SCHEDULE - 1	
SHARE CAPITAL	
AUTHORISED	
100,000,000 Equity Shares (Previous Year 50,000,000 Equity Shares) of Rs. 10/- each	1,000,000,000
ISSUED SUBSCRIBED & PAID UP	
20945637 Equity Shares (Previous Year 12953600 Equity Shares) of Rs. 10/- each fully paid up	209,456,370
Of the above:	
i. 6994625 equity shares of Rs. 10 each were issued at a premium of Rs. 55.25 issued and represented by GDR	
ii. 997412 no. of Equity Shares of Rs. 10/- Each at Rs. 58/- Share Premium issued against Share Warrants.	
Total	209,456,370
SCHEDULE - 1 - A	
EQUITY SHARE WARRANTS	
Upfront Consideration At	
(Rs. 17 per warrant received towards Preferential allotment of 9,97,411 Equity Share Warrants of Rs. 10/- Each at Rs. 58/- Share Premium per equity share in the exercise of option by the warrant holder.)	16,955,987
Total	16,955,987
Grand Total	226,412,357
SCHEDULE - 2	
RESERVES & SURPLUS	
Securities Premium at the beginning of the year	252,846,241
i. 6994625 equity shares of Rs. 10 each were issued at a premium of Rs. 55.25 issued against GDR	386,453,031
ii. 997412 no. of Equity Shares of Rs. 10/- Each at Rs. 58/- Share Premium issued against Share Warrants.	57,849,896
Less : Issue Expenses pertaining to FPO	2,548
Less : Issue Expenses pertaining to GDR	34,647,813
Less : Issue Expenses pertaining to Share Warrants	117,825
Less: Preliminary Expenses written off	—
Securities Premium at the end of the year	662,380,982
Profit & Loss Account	102,187,681
	764,568,663

**SCHEDULES TO CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2011.**

Particulars	31.03.2011 Rupees
SCHEDULE - 3	
SECURED LOANS	
Loans from Banks	
Term Loan / Over Draft	96,726,622
Security:	
<i>i. Equitable Mortgage of Office Premises</i>	
<i>ii. Hypothecation of Book Debts</i>	
Loans from Others	
Vehicle Finance	702,017
<i>(Amount repayable within one year Rs. 412,572/- (Previous Year Rs. 3,69,437))</i>	
<i>Security - First charge on the Vehicles financed</i>	
	<u><u>97,428,639</u></u>
SCHEDULE - 4	
DEFERRED TAX	
Deferred Tax Liability	
Difference in depreciation and other differences in block of assets as per tax books and financial books	18,203,119
Gross Deferred Tax Liability	<u>18,203,119</u>
Deferred Tax Asset	
Unabsorbed Depreciation	-
Effect of Preliminary Expenses adjusted against Securities Premium	15,806,817
Gross Deferred Tax Asset	<u>15,806,817</u>
Net Deferred Tax Liability	<u><u>2,396,302</u></u>



SCHEDULES TO CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2011.

**Schedule 5
FIXED ASSETS**

Description of Asset	Gross Block			Depreciation			Net Block	
	As on 31.03.2010	Additions	Deductions	As on 31.03.2010	For the Year	Deductions	As on 31.03.2011	As on 31.03.2010
TANGIBLE ASSETS								
Office Building	42,429,503	-	-	8,334,772	1,704,737	-	10,039,509	32,389,994
Shop Building	5,669,000	-	-	2,051,472	361,753	-	2,413,225	3,255,775
Computer Systems	16,182,095	1,630,791	-	13,220,323	1,744,589	-	14,964,913	2,847,973
Furniture & Fixtures	2,083,576	40,000	-	1,112,919	181,161	-	1,294,081	829,495
Office Equipments	2,941,028	1,807,200	-	1,203,858	413,862	-	1,617,719	3,130,509
Vehicles	1,656,936	-	-	1,656,936	353,455	-	645,172	1,011,764
Total (A)	70,962,138	3,477,991	-	26,215,061	4,759,557	-	30,974,618	43,465,511
INTANGIBLE ASSETS								
Computer Software (Content)	25,476,494	5,412,520	-	3,035,851	2,785,316	-	5,821,167	25,067,847
Computer Software (Other)	118,858,794	33,584,823	-	17,035,343	52,075,021	-	69,110,363	83,333,254
Goodwill	3,380,874	-	-	-	-	-	-	3,380,874
Total (B)	147,716,162	38,997,343	-	20,071,193	54,860,337	-	74,931,530	111,781,975
Total (A+B)	218,678,300	42,475,334	-	46,286,255	59,619,894	-	105,906,149	172,392,045
WIP XL@school (Vidopasana) - C	5,412,520	5,289,715	5,412,520	-	-	-	-	5,289,715
WIP - Tribal Project (Maharashtra) - D	-	139,699,354	-	-	-	-	-	139,699,354
Grand Total (A+B+C+D)	224,090,820	187,464,403	5,412,520	46,286,255	59,619,894	-	105,906,149	300,236,554

Note :- WIP includes advances given for the tribal project

**SCHEDULES TO CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2011.**

Particulars	31.03.2011 Rupees
SCHEDULE - 6	
INVESTMENTS	
In Quoted Companies	—
In Unquoted Companies	—
Enn Vee Holdings Private Limited :- 402000 No. of Shares @ Rs.250/- each	100,500,000
Investment - Birla Shloka Edutech Limited FZE 1 No. of Shares @ 35000 UAE Dirham each Conversion rate is 1 UAE Dirham = 12.01 (INR)	420,508
Share Application Money Birla Edutech Ltd (pending for Allotment)	327,150,000
	428,070,508
SCHEDULE - 7	
SUNDRY DEBTORS	
Debts outstanding for a period exceeding six months	
Unsecured, considered good	
Group Companies	9,502,666
Others	107,098,326
Other debts	
Unsecured, considered good	
Group Companies	125,471
Others	585,880,850
	702,607,313
SCHEDULE - 8	
CASH & CASH EQUIVALENTS	
Cash in Hand	867
Bank Balance	
In Current Account	2,578,685
In Fixed Deposit Account	15,852,243
Cheques in Hand	366,745
	18,798,540
SCHEDULE - 9	
LOANS, ADVANCES & OTHER CURRENT ASSETS	
Unsecured-considered good	
Advance & Loans to Subsidiary	105,000
Advance & Loans to Group Companies	115,781,110
Advances recoverable in cash or in kind or for value to be received	118,968,641
Deposits for EMD(Tender), Lease & Rent (Security), I. Tax	5,516,653
Advance Payment of Taxes (T.D.S)	2,550,030
Mat Entitlement	7,622,578
Other Current Assets	8,086,112
	258,630,124

**SCHEDULES TO CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2011.**

Particulars	31.03.2011 Rupees
SCHEDULE - 10	
CURRENT LIABILITES	
Sundry Creditors :-	
Group Companies	141,712
Others	643,917,613
Advances Received from Customers	562,054
Other Advances as Deposited Lease & Rent (Security)	2,050,000
Loans from Group Companies	9,744,177
Loans from Other Companies	3,000,000
Other Liabilities	777,433
	<u>660,192,989</u>
SCHEDULE - 11	
PROVISIONS	
Provisions for Expenses	890,369
Provision for Tax	12,110,290
	<u>13,000,659</u>
SCHEDULE - 12	
MISCELLANEOUS EXPENDITURE	
(To the extent not written off or adjusted)	
Preliminary Expenses	
As per last balance sheet	—
Add: Incurred During the year	—
Less: Adjusted against Securities Premium	—
	<u>—</u>



SCHEDULES TO CONSOLIDATED PROFIT & LOSS ACCOUNT FOR YEAR ENDED 31ST MARCH, 2011

Particulars	31.03.2011 Rupees
SCHEDULE 13	
OTHER INCOME	
Interest on Corporate Advances & from Others	9,750,546
Profit on sale of Assets	—
Miscellaneous Income	4,973,364
	14,723,910
SCHEDULE 14	
ADMINISTRATIVE & OTHER EXPENSES	
Personnel Expenses	
Salaries, Staff Remuneration and Bonus	17,304,515
Contribution to Provident and Other Fund	941,464
Staff Welfare	403,736
Gratuity	28,594
Business promotion	243,514
Charity & Donations	110,000
Communication Expenses	590,705
Commission & Brokerage	415,860
Electricity Expenses	858,794
Legal & Professional Fees	6,893,642
Rates & Taxes	181,511
Rent	3,838,500
Repairs & Maintenance	406,809
Travelling & Conveyance	1,583,238
Miscellaneous Expenses	1,409,678
Audit Fee	281,000
	35,491,559
SCHEDULE 15	
FINANCE EXPENSES	
Interest	6,186,274
Bank charges	163,017
	6,349,292

**Schedule 16: Significant Accounting Policies and Notes forming part of the consolidated financial statements****A. SIGNIFICANT ACCOUNTING POLICIES:****1. Basis of preparation of Financial Statements:**

- a. The financial statements of the subsidiary used in the consolidation are drawn upto the same reporting date as that of the Parent company, namely March 31, 2011.
- b. The consolidated accounts have been prepared on the basis of Going Concern concept. The Parent Company and subsidiary adopt accrual basis in preparation of its accounts to comply in all material aspects with the applicable accounting principles generally accepted in India, the Accounting Standards as specified in the Companies (Accounting Standards) Rules 2006 issued by the Central Government, in consultation with National Advisory Committee on Accounting Standards ("NACAS") and the relevant provisions of the Companies Act, 1956, to the extent applicable.
- c. The preparation of financial statements in accordance with generally accepted accounting principles requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimate is recognized in the period in which the estimates are revised and in any future period affected. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

2. Principles of consolidation:

- i) The consolidated financial statements relate to Birla Shloka Edutech Limited (BSEL, the Parent Company) and its subsidiary company has been prepared in accordance with the Accounting Standard (AS) 21 'Consolidated Financial Statements', and have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra- group balances, intra – group transactions and the unrealized gains and/ or losses.
- ii) The consolidated financial statements have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances.
- iii) Minority interest is presented separately from the liabilities or assets and the equity of the Parent shareholders in the consolidated Balance Sheet. Minority interest in the income or loss of the Company is separately presented.

3. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

4. Depreciation

Depreciation is provided using the Written Down Value Method at the rates prescribed under Schedule XIV of the Companies Act, 1956, at the following rates:

Asset Group	Rates (WDV)
Office Building	5.00%
Shop Building	10.00%
Computer Systems	40.00%
Computer Software	40.00%
Computer Software (Content)	10.00%
Furniture & Fixtures	18.10%
Electrical Fittings	13.91%
Office Equipments	13.91%
Motor Vehicles	25.89%

5. Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date



there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

6. Application of securities premium accounts

Share issue expenses (includes GDR expenses) are charged against share premium account.

7. Inventories

Inventories are valued at lower of cost or net realizable value. Cost includes the cost of procuring the goods and is computed on First In First Out (FIFO) basis.

8. Foreign Currency Transactions / Translation

Transactions in foreign currency are recorded at the original rates of exchange in force at the time transactions are effected. Exchange differences arising on settlement of all transactions are recognised in the profit and loss account.

Monetary items denominated in foreign currency are reported using the exchange rates prevailing at the date of balance sheet and the resulting net exchange difference is recognised in the profit and loss account.

Foreign Subsidiary

The translation of financial statements of Foreign Subsidiary is done as under in accordance with Accounting Standard (AS) 11 (Revised) on 'The Effect of Changes in Foreign Exchange Rates', considering its foreign subsidiary as non-integral foreign operations :

- i. All the items of income and expenses during the year are translated at an closing rate.
- ii. All the monetary and non-monetary assets and liabilities are translated at closing rate.
- iii. The resulting exchange difference is accumulated in 'foreign currency translation reserve' until the disposal of the net investment in the said non-integral foreign operations.

9. Intangible Assets

i) Goodwill

The Company assesses at each balance sheet date whether there is any indication that the asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset and the difference if any is charged to the Profit and Loss Account.

ii) Content

The Company is engaged in development of educational software content pertaining modules on various subjects based on the curriculum of various Boards, costs of which is capitalized. The company amortises the cost of such content on Written Down Value Method at the rate of 10%. Management regularly reviews and revises, where necessary, its total estimates which may result in a change in the rate of amortisation and/or a write down of the intangible asset to fair value.

10. Leases

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease item, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account.

11. Revenue Recognition

i) Revenue from Operations

The company derives its revenue from either supply or on installation of educational content and services, content licensing, sale of content and technology products. The revenue from sale of educational content and technology products is recognized upon dispatch / delivery to the customer. Revenue from ICT BOOT model is recognized over the period of the contract. Revenue from Licensing of content is recognized when the knowledge based content is delivered and accepted.

**ii) Interest**

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

12. Borrowing Costs

Borrowing cost relating to acquisition of Fixed Assets which takes substantial period of time to get ready for intended use are capitalized as a part of the cost of such assets. All other Borrowing Costs are charged to revenue.

13. Income Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

14. Segment reporting

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company with the following additional policies for segment reporting:-

- i. The Company has identified geographical segments as primary segment in consolidated balance sheet.
- ii. The Segments are India & Sharjah(U.A.E).

15. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of conversion of shares warrant, shares issued against GDR.

16. Provisions & Contingent Liabilities

The Company recognizes a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent Assets are neither recognized nor disclosed in the Financial Statements.

17. Miscellaneous Expenditure

Costs incurred in connection with raising capital and borrowings are adjusted against the Securities Premium account.

**18. Cash & Cash Equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand, short term investments with original maturity of three months or less and fixed deposits with banks.

B. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. The subsidiary (which along with BSEL, the Parent Company, constitute the Group) considered in the presentation of these consolidated financial statements are:

Name of subsidiary	Country of incorporation	Proportion of Ownership Interest	
		Current Year	Previous Year
Birla Shloka Edutech Limited FZE	SHARJAH (U.A.E)	100%	N.A

The consolidated financial statements have been prepared on the basis of audited financial statement of the Parent Company and One (Previous year NIL) subsidiary.

Significant Accounting Policies and Notes to consolidated financial statements are intended to serve as a means of informative disclosure and a guide to better understand the consolidated position of the Group. Recognizing this purpose, the Company has disclosed only such policies and Notes from the individual financial statements, which fairly present the needed disclosures.

2. The Gratuity and other post employment benefit plans**a. Define benefit plans**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The company did not make any provision in respect of the gratuity benefit in previous year as amount was not material. In Current year, the Company has adopted Accounting Standard 15 (Revised 2005) which is mandatory from accounting periods starting from April 1, 2007. However, this adoption does not have a material impact on the profit and loss account. Hence, the entire charge of Rs. 28,594 has been debited to the Profit & Loss account for the year and accordingly amounts for the previous year have not been furnished.

The following table summarises the components of the net benefit expense recognized in the Profit & Loss Account and the funded status and amounts recognized in the balance sheet for the respective plans.

Profit & Loss Account

Net Employee benefit (expense recognized in Employee Cost)

In Rupees

	March 31, 2011
Current Service Cost	2,38,136
Interest Cost on Benefit Obligation	34,006
Expected return on Planned Assets	—
Net actuarial (Gain) / Loss	(2,43,548)
Past Service Cost	—
Net benefit expense	28,594

Actual Return on Plan Assets

NA

Balance sheet

Details of Provision for gratuity

In Rupees

	March 31, 2011
Defined Benefit Obligation	2,70,548
Fair value of Planned Assets	—
Amount recognized in the balance sheet	2,70,548



Changes in the present value of the defined benefit obligation are as follows:

In Rupees

	March 31, 2011
Opening defined benefit obligation	425,069
Interest Cost	-
Current Service Cost	28,594
Benefits paid	183,115
Actuarial (Gains) / Losses on obligation	-
Closing defined benefit obligation	2,70,548

Changes in the fair value of plan assets are as follows:

The company does not fund the gratuity hence the disclosure relating to fair value of plan assets is not applicable.

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	March 31, 2011
Future Salary Rise	5%
Rate of Discounting	8%
Attrition Rate	2%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

b. Defined Contributing Plan

Amount recognized as an expense and included in Schedule – 14 as Contribution to Provident and Other Funds Rs. 941,464 (Previous Year Rs. 507,071)

Segment Reporting :

Particulars	Birla Shloka Edutech Limited		
	India	FZE (UAE)	Total
Segment Revenue			
External Revenue	1,922,213,742	8,922,246	1,931,135,988
Segment Results Before Exceptional Items	1,922,213,742	8,922,246	1,931,135,988
Segment Results After Exceptional Items	1,922,213,742	8,922,246	1,931,135,988
Interest & other Finance Expenses	6,344,361	4,931	6,349,292
Provision for Tax	11,814,000	—	11,814,000
Income Tax Earlier years (Net)	1,443,559	—	1,443,559
Net Profit After Tax	45,549,606	111,628	45,661,234
Other Information			
Segment Assets	1,763,653,753	345,855	1,763,999,608
Total Assets	1,763,653,753	345,855	1,763,999,608
Segment Liabilities	772,784,361	234,228	773,018,589
Total Liabilities	772,784,361	234,228	773,018,589
Depreciation and Amortisation			
Segment depreciation & amortisation	59,619,894	—	59,619,894
Total depreciation & amortisation	59,619,894	—	59,619,894



2. External Revenue comprises of:

	Rupees
Income from Services	1,916,412,078
Other Income	14,723,910
Total	1,931,135,988

3. The Group is engaged in the business of providing IT and IT enabled solutions to schools and institutions under the ICT projects. In subsidiary company has trading turnover which is also inline with IT enabled solutions.

4. **Related party disclosures**

a. **List of Parties:**

i) **Key Management Personnel**

Mr. Yashovardhan Birla – Chairman

Mr. Srikrishna Nidigallu – Managing Director

ii) **Enterprises owned or significantly influenced by key management personnel or their relatives**

- i. Birla Edutech Ltd
- ii. Birla Electrical Ltd.
- iii. Birla Global Corporate Ltd
- iv. Birla Infrastructure Ltd
- v. Birla Power Solutions Ltd.
- vi. Birla Precision Technologies Ltd.
- vii. Birla Surya Ltd
- viii. Birla Transasia Carpets Ltd.
- ix. Birla Viking Travels Ltd.
- x. Dagger Forst Tools Ltd.
- xi. Godavari Corporation Ltd
- xii. Melstar Information Technologies Ltd
- xiii. Nirved Traders Ltd
- xiv. Scimitar Investment & Trading Co Ltd
- xv. Shearson Investment & Trading Co Ltd
- xvi. Zenith Birla India Ltd
- xvii. Birla Shloka Edutech Limited, FZE

b. **Particulars of Related Party Transactions**

	Particulars	Transactions during the Year
Key Management Personnel	Salary	30,11,860
Enterprises owned or significantly influenced by key management personnel or their relatives	Sale of HW	1,65,707
	Rent Received	1,15,200
	Interest Receivable	80,64,000
	Reimbursement of Expenses from Group Companies	1,47,345
	Reimbursement of expenses to Group Co	(34,802)
	Rent Paid	36,00,000
	Loan & Advances given	27,61,66,575
	Loan & Advances taken	(23,14,03,009)
	Investment in Group Companies	32,71,50,000
Share Warrants Money Received	3,39,11,931	

c. **Balance Outstanding at the Year end (net)**

Company	March 31, 2011
Birla Edutech Ltd	68,43,821
Birla Electrical Ltd.	NIL
Birla Global Corporate Ltd	2,212,919
Birla Infrastructure Ltd	(9,744,177)
Birla Power Solutions Ltd.	5,83,46,894
Birla Precision Technologies Ltd.	(364,346)
Birla Surya Ltd	77,090
Birla Transasia Carpets Ltd.	1,552,484
Birla Viking Travels Ltd.	NIL
Dagger Forst Tools Ltd.	NIL
Godavari Corporation Ltd	83,30,016
Melstar Information Technologies Ltd	NIL
Nirved Traders Limited	1,92,21,275
Scimitar Investment & Trading Co Ltd	NIL
Shearson Investment & Trading Co Ltd	1,38,93,799
Birla Cotsyn Limited	21,13,425
Birla Shloka Edutech Ltd. FZE	1,05,000
Zenith Birla India Ltd	1,26,555,22

5. **Earnings per share (EPS)**

Particulars	2011
Net profit as per profit and loss account including exceptional items for calculation of basic EPS	45,661,234
Weighted average number of equity shares in calculating basic EPS	17,524,165
Basic EPS	2.61

- Earnings in foreign exchange – On receipt basis: Rs. 894,100/- (Interest received) (Previous Year: Rs. Nil)
- Expenditure in Foreign Currency – On payment basis: Rs. 15,668/- (Capital Equipment purchases) (Previous Year: Rs. Nil)
- In Previous year's there was no subsidiary and hence reporting of previous year figures are not required.
- Previous year's figures have been regrouped where necessary to confirm to this year's classification.

For and on behalf of the Board

LKM & Co.
Chartered Accountants
FRN No. 126823W

Sd/-
Laxmikant Malpani
Proprietor
M. No. 106989

Sd/-
Tushar Dey
Director

Sd/-
Mohandas Shenoy Adige
Director

Sd/-
N. Srikrishna
Managing Director

Mumbai,
Date: 20th May, 2011

Sd/-
Chetan R.Shah
Vice President – F & A



SUMMARIZED FINANCIAL INFORMATION IN RESPECT OF SUBSIDIARY OF THE COMPANY IN COMPLIANCE WITH THE TERMS OF GENERAL CIRCULAR ISSUED BY THE CENTRAL GOVERNMENT UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956 VIDE CIRCULAR NO. 5/12/2007-CL-III DATED 8TH FEBRUARY 2011

In Terms of General Circular issued by the Central Government under Section 212(8) of the Companies Act, 1956 vide Circular No. 5/12/2007-CL-III dated 08th February, 2011, exempted the Company from attaching the Balance Sheet, Profit and Loss Account and other documents of the Subsidiary Companies to its Annual Accounts for the year ended 31.3.2011. Information as required in terms of the aforesaid General Circular is furnished below:

	Name of subsidiary companies	Country of Incorporation	Financial Year ended on	Currency	Capital	Reserves	Total Assets	Total Liabilities	Details of Investment	Turnover	Profit/(Loss) before Taxation	Provision for Taxation	Profit/(Loss) after Taxation
1	Birla Shloka Edutech Limited FZE	SHARJAH - United Arab Emirates	31.3.2011	AED	35,000	9,055	63,055	19,000	-	723,750	9,055	—	9,055
				INR	420,508	111,628	766,364	234,228	-	8,922,245	111,628	—	111,628

Notes:

1. The above Subsidiary has not proposed any dividend.
2. The Company shall provide to any member on request the Annual Accounts of the subsidiary and other related information at any point of time. Copies of the Annual Accounts of the Subsidiary shall also be available for inspection by any member at the Registered Office of the Company and its subsidiary on any working day.
3. Indian Rupee equivalent figures have been arrived at by applying the year end / original transaction date inter-bank Exchange Rate: (a) 1 AED Dirham's = Rs.12.3278, (b) 1 AED Dirham's = Rs.12.0145

For and on behalf of the Board

LKM & Co.
Chartered Accountants
FRN No. 126823W

Sd/-
Laxmikant Malpani
Proprietor
M. No. 106989

Sd/-
Tushar Dey
Director

Sd/-
Mohandas Shenoy Adige
Director

Sd/-
N. Srikrishna
Managing Director

Mumbai,
Date: 20th May, 2011

Sd/-
Chetan R.Shah
Vice President – F & A

BIRLA SHLOKA EDUTECH LIMITED

Regd Office: Industry House, 159 Churchgate Reclamation House, Mumbai 400 020

Please complete this attendance slip and hand over at the entrance of the meeting hall

DP ID* _____

Folio No: _____

Client ID* _____

Name and Address of Shareholder _____

No of shares held _____

I hereby record my presence at the Nineteenth Annual General Meeting of the Company held on Thursday 22nd September, 2011 at 3.00 pm at Maharashtra Chamber of Commerce, Orion House, 6th floor, 12, K. Dubhash Marg, Fort, Mumbai 400 001

Signature of Shareholder/Proxy

BIRLA SHLOKA EDUTECH LIMITED

Regd Office: Industry House, 159 Churchgate Reclamation House, Mumbai 400 020

PROXY FORM

I/We _____ being a member/s of Birla Shloka Edutech Limited hereby appoint _____ of _____ or failing him _____ as my/our proxy to attend and vote on my/our behalf at the Nineteenth Annual General Meeting of the Company to be held on Thursday 22nd September, 2011 at 3.00 pm

For Office Use only

Proxy No.

Ledger Folio No.

No. of shares

Signature _____

Re.1/-
Revenue
Stamp

Note: The proxy form duly completed must be deposited at the registered office of the Company not later than 48 hours before the time of the meeting.

Book-Post

If undelivered please return to:

Birla Shloka Edutech Limited

Melstar House,

G-4, M.I.D.C., Cross Road 'A

Andheri (East), Mumbai - 400 093

Ph- 022-33067777